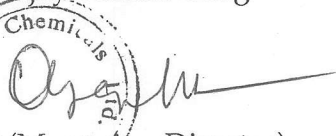
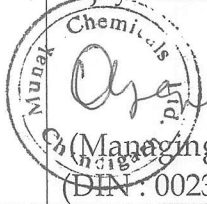
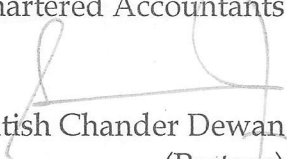
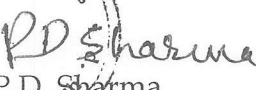
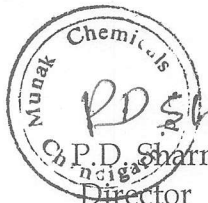


FORM A

1.	Name of the Company	Munak Chemical Limited
2.	Annual Financial Statement for the year ended on	31 <sup>st</sup> March, 2015
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**

**2014-2015**

## **MUNAK CHEMICALS LIMITED**

### **NOTICE**

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the Members of **MUNAK CHEMICALS LIMITED** will be held on Wednesday, the 30<sup>th</sup> September, 2015 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 Balance Sheet of the Company as at 31<sup>st</sup> March, 2015 and the Statements of Profit & Loss for the year ended on that date together with the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P.D. Sharma, Director (DIN-00268536) who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, with or without modification (s), the following resolution as an **ORDINARY RESOLUTION:-**

“Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of Companies Act, 2013. M/s. S.C. Dewan & Co., Chartered Accountants, Panchkula, (FRN No. 000934N) the retiring auditors of the Company be and are hereby, reappointed as auditors of the company to hold office from the conclusions of this AGM until the conclusion of the AGM to be held for Financial year 2015-16 at a remuneration to be mutually agreed.

By order of the Board

PLACE: CHANDIGARH  
DATED 29<sup>th</sup> July, 2015

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 on a poll to vote instead of himself/herself and the proxy need not be a member of the Company. A blank form of proxy is enclosed and if intended to be used, it should be deposited duly completed at the Registered Office of the Company not less than 48 hours before the scheduled time of the meeting.
2. A person can act as a proxy on behalf of member not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Members holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Share Transfer Books of the Company will remain closed for Seven days from Wednesday, 23rd September, 2015 to Tuesday, 29th September 2015 (Both days inclusive).
4. In terms of Section 56 of the Company Act, 2013 and the applicable provisions, the shareholders of the company may nominate a person in whole name the share held by him/them shall vest in the event of his/their death. Shareholders desired of availing this facility may submit the requisite nomination form.

5. Members are requested to bring their copies of Annual Report at the meeting.
6. The documents referred to in the proposed resolution are available for inspection at the Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of the meeting.
7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members who hold shares in multiple folios in identical names or joint holding in the same order of name are requested to send the share certificates for consolidation into a single folio.
10. The Company's Shares are listed on the Bombay Stock Exchanges. The listing fee due from the financial years from 2001 to 2015 has not been paid due to paucity of funds and accordingly trading has been suspended by the Stock Exchange.

By order of the Board

PLACE: CHANDIGARH  
DATED: 29th July, 2015

Sd/-  
RITA GARG  
DIRECTOR  
(DIN-00236464)

## MUNAK CHEMICALS LIMITED

### DIRECTOR REPORT

To the Members,

Your Directors take pleasure in presenting the 35<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year figures is given hereunder:

<b>Particulars</b>	<b>For the year ended 31<sup>ST</sup> March, 2015</b>	<b>For the year ended 31<sup>ST</sup> March, 2014</b>
Net Sales /Income from Business Operations	<b>0.00</b>	0.00
Other Income	<b>11976463.00</b>	0.00
Total Income	<b>11976463.00</b>	0.00
Less Interest	<b>0.00</b>	0.00
Other Expenses	<b>1183130.00</b>	1492334.00
Profit before Depreciation	<b>10793333.00</b>	(1492334.00)
Less Depreciation	<b>0.00</b>	0.00
Profit after depreciation and Interest	<b>10793333.00</b>	(1492334.00)
Less Current Income Tax	<b>0.00</b>	0.00
Less Previous year adjustment of Income Tax	<b>0.00</b>	0.00
Less Deferred Tax	<b>0.00</b>	0.00
Net Profit after Tax	<b>10793333.00</b>	(1492334.00)
Dividend (including Interim if any and final )	<b>0.00</b>	0.00

Net Profit after dividend and Tax	<b>10793333.00</b>	(1492334.00)
Amount transferred to General Reserve	<b>0.00</b>	0.00
Balance carried to Balance Sheet	<b>10793333.00</b>	(1492334.00)
Earning per share (Basic)	<b>1.00</b>	(0.14)
Earning per Share(Diluted)	<b>1.00</b>	(0.14)

## **DIVIDEND**

The Company has not declared any dividend for the year under review.

## **OPERATIONS**

The Company has closed its operation and there was no production and sale during the year under review. 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.

## **FIXED DEPOSITS**

The company has not accepted any Fixed Deposits form the public during the year under review.

## **CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business.

## **SUBSIDIAREIS/JOINT VENTURE/ASSOCIATES COMPANIES**

Your company does not have any subsidiary/joint venture or associate company within the meaning of Companies Act, 2013.

## **CORPORATE SOCIAL RESPONSILIBILTY (CSR)**

The Provision of Section 135 of the Company Act, 2013 are not applicable since the company does not fall under Category of Rule 9 of the Corporate Responsibility Rules 2014.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL.**

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

## **DIRECTORS**

In accordance with the Provision of the Companies Act, 2013 and Articles of Association of the Company Mr. P. D. Sharma, Director (DIN-00268536) of the company shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

## **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW & ATTENDANCE OF EACH DIRECTOR IN THE MEETING**

During the year 6 (Six) board meetings were convened and held. The detail of the board meeting and the attendance of Directors are provided in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## **DIRECTORS RESPONSIBILITY STATEMENT**

As required under Section 134(3) (c ) read with Section 134(5) of the Companies Act, 2013 and clause 49(3) (D) (4) (a) of the Listing Agreement, your Director state that:

- i. in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures ;
- ii. such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the company for the year ended on that date ;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv. the annual accounts have been prepared on a 'going concern' basis.
- v. the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **COMPOSITION OF AUDIT COMMITTEE**

The Board has constituted the Audit Committee which comprises of Sh. P. D. Sharma independent director as the Chairman and Mrs. Rita Garg as a member. The details of the Audit Committee meetings, attendance of the members and terms of reference are provided in the corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## **AUDITORS & AUDITORS REPORT**

M/s. S.C. Dewan & Co., Chartered Accountants, Panchkula, (FRN No. 000934N) Statutory Auditors, hold office until the conclusion of the ensuing annual general meeting and being eligible, offer themselves for reappointment. The Company has received a Certificate from the Statutory Auditors to the effect that their reappointment, if made would be within the prescribed limit under section 139 (I) & they have confirmed their eligibility under Section 141 of the Companies Act, 2013 and Rules framed there under and willingness to accept the office of the Statutory Auditors, if reappointed.

## **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. 40,097/- 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.

## **SHARE CAPITAL**

During the year under review, the Company has not issued any equity shares with differential rights, sweet equity share or employee stock option.

The Company has not made any Provision for purchase of its own shares.

There is no change in the share capital

There is no detail pertaining to the shares in 'Unclaimed suspense account' in terms of Clause 5(A)(I) (g) and 5(A)(II) (h) of the Equity Listing Agreement.

## **ENERGY CONSERVATION**

The Company is not in the process of production however adequate measures with respect to conservation of energy etc. as required under section 134(3) of the Companies Act. 2013 read with Rule 8 (3) of the Companies (Accounts) Rule, 2014 have been taken by the company.

## **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.

## **EXTRACT OF THE ANNUAL RETURN**

The extract of annual return in form No. MGT-9 is annexed and forms part of the Annual Report.

## **CORPORATE GOVERNANCE REPORT**

A Report of Corporate Governance pursuant to Clause 49 of the Listing Agreement with Stock Exchange is annexed and forms part of the Annual Report.



## **PARTICULARS OF EMPLOYEES**

The provisions of Rule 5(2) & (3) of the Companies (Appointment & remuneration of Managerial Personnel) Rules, 2014 requiring particulars of Employees in receipt of remuneration in excess of Rs. 60 lacs per year to be disclosed in the Report of Board of Director are not applicable to the company as none of the Employees was in receipt of remuneration in excess of Rs. 60 lacs during the financial year 2014-15.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**

No loans, guarantees or investment under Section 186 of the Companies Act, 2013 have been given by the company.

## **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: 29<sup>th</sup> July, 2015

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

Sd/-  
RITA GARG  
DIRECTOR  
(DIN-00236464)

## ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes in abiding by the Code of Corporate Governance so as to be a responsible corporate citizen and to serve the best interest of all the stakeholders and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner and by being fair to all stakeholders and by ensuring that the Company's activities are managed by a professionally competent Board of Directors. The Company has over the years followed the best practices of Corporate Governance by adhering to the practices laid down by the Management. The Company has also followed the implementation schedule of Corporate Governance Code as mentioned in Clause 49 of the Listing Agreement. The Directors are pleased to report the same as under -

### BOARD OF DIRECTORS

The present strength of the Board is three. The Board Comprises of Executive and Non-Executive Directors. The Managing Director is Whole-time Directors There are Two Non-Executive Directors,

The composition of the Board, number of Directorships & Committee positions held by each of the Directors are given hereunder -

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	5	One	One
Mrs. Rita Garg Director	Non-executive	4	One	None
Mr. P. D. Sharma Director	Non-executive	None	One	One

### BOARD MEETINGS AND ATTENDANCE

During the year ended March 31, 2015, 6 Board Meetings were held on the following dates –

DATE OF MEETING	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
30.04.2014	3	3
28.06.2014	3	3
30.07.2014	3	3
25.08.2014	3	3
30.10.2014	3	3
05.01.2015	3	3

**The gap between two Board Meetings did not exceed four months. The agenda and other papers having adequate information for consideration of the Board are circulated well in advance. Further, the compliance report of statutory requirements is placed before the Board on quarterly basis.**

### SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Mrs. Rita Garg, Directors holds 0.43% equity shares of the Company.

### BOARD COMMITTEES

The Board of Directors is the apex body constituted by Shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being saved. The Board has constituted two Committees, namely Audit Committee, shareholder committee. The Board is authorized to constitute additional functional Committees, from time to time, depending on the business needs.

## TERMS OF REFERENCE AND OTHER DETAILS OF BOARD COMMITTEES

### AUDIT COMMITTEE

#### Composition of Committee

Mr. P. D. Sharma (Chairman of the Committee)	Non-Executive Independent Director
Mr. Rita Garg	Non-Executive Director

#### Powers of the Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### Role of Audit Committee, inter alia, includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the company.
3. Approving payment to statutory auditors, including cost auditors, for any other services rendered by them.
4. Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - iii) Major accounting entries involving estimates based on the exercise of judgment by the management;
  - iv) Significant adjustments made in financial statements arising out of audit findings;
  - v) Compliance with listing and other legal requirements relating to financial statements;
  - vi) Disclosure of any related party transactions; and
  - vii) Qualifications in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Monitoring and reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditors independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertaking or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems.
13. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit.
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
15. Discussion with internal auditors of any significant findings and follow-up thereon.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
18. To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
19. To review the functioning of the Vigil Mechanism and Whistle Blower mechanism.
20. Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. Reviewing the following information:
  - i) The Management Discussion and Analysis of financial condition and results of operations;

- ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- iii) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating to internal control weaknesses; and
- v) Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor/internal auditor(s).

#### Meeting details

During the year under review, the Audit Committee met five times on April 30, 2014, July 30, 2014, August 25, 2014, October 30, 2014 and January 5, 2015 respectively. The attendance at the Audit Committee meetings were:

MEMBERS	NO OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. P. D. Sharma (Chairman of the Committee)	5	5
Mr. Rita Garg	5	5

#### 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, 2015 were Nil.

#### Terms of Reference of the Committee, inter alia, includes the following:

- (1) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- (2) Redressal of shareholders and investor complaints/ grievances e.g. transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc.;
- (3) To approve, register, refuse to register transfer / transmission of shares and other securities ;
- (4) To sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company;
- (5) To authorize affixation of common seal of the Company;
- (6) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- (7) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- (8) To dematerialize or rematerialize the issued shares;
- (9) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

#### SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

#### GENERAL BODY MEETINGS

##### Annual General Meetings

The date, time and venue of Annual General Meetings held during the last three years, and the special resolution(s) passed thereat, are as follows:

A.G.M.	Financial years	Day/Date	Time	Venue
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.

**Special Resolution(s) through Postal Ballot**

During the year under review, no Resolution was passed through postal ballot.

**DISCLOSURES****Related Party Transactions**

There were no material transaction with director or the management or their relatives having potential conflict with the interest of the Company at large.

**MEANS OF COMMUNICATION****Quarterly Results**

The quarterly, half yearly and annual results of the Company are communicated to the Stock Exchange.

**GENERAL SHAREHOLDERS' INFORMATION****Company Registration Details**

The Company is registered in the State of Punjab, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24299PB1980PLC004147.

**Annual General Meeting  
(Day, Date, Time and Venue)**

Wednesday, the 30<sup>th</sup> Day of September, 2015 at 11.30 A.M. at the Registered Office of the Company i.e. H. No. 5458, Hazi Rattan Gate Near Mini Secretariat, Bathinda-151005 (Punjab).

**Financial Calendar**

April to March

First Quarterly Results	:	Before the end of July' 2015
Second Quarterly Results	:	Before the end of Oct' 2015
Third Quarterly Results	:	Before the end of Jan' 2016
Fourth Quarter Results	:	Before the end of Apr' 2016

**Dates of Book Closure**

Wednesday, 23rd September, 2015 to Tuesday, 29<sup>th</sup> September 2015 (Both days inclusive).

**Listing on Stock Exchange(s)**

The Company's Shares are listed on the Bombay Stock Exchanges. The listing fee due from the financial years from 2001 to 2015 has not been paid due to paucity of funds and accordingly trading has been suspended by the Stock Exchange.

**Distribution of Shareholding (as on March 31, 2015)**

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
<b>TOTAL</b>	<b>17557</b>	<b>100</b>	<b>10732272</b>	<b>100</b>

**Shareholding pattern (as on March 31, 2015)**

Category	No. of shares		% holding
Promoters & Group Companies	2046502	:	19.07
FI's/ Bank /Mutual Funds	521180	:	4.86
Other	8164590	:	76.08
<b>Total</b>			<b>100.00</b>

On behalf of Board of Directors

PLACE : CHANDIGARH  
DATED: 29<sup>th</sup> July, 2015

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

SD/-  
RITA GARG  
DIRECTOR  
(DIN-00236464)

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERALL REVIEW:-

The Fertilizer Industry has been adversely affected 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.

On behalf of Board of Directors

PLACE : CHANDIGARH  
DATED: 29<sup>th</sup> July, 2015

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

SD/-  
RITA GARG  
DIRECTOR  
(DIN-00236464)

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2015**

**Of**

**MUNAK CHEMICALS LIMITED**

[Pursuant to Section 92(3) *of the Companies Act, 2013*

*And*

Rule 12(1) of the Company (Mgt. and Administration) Rules, 2014]





d) Banks / FI									
e) Any Other....									
<b>Sub-total(A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>2046502</b>	<b>2046502</b>	<b>19.07</b>	<b>0</b>	<b>2046502</b>	<b>2046502</b>	<b>19.07</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	0	521180	521180	4.86	0	521180	521180	4.86	0
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>521180</b>	<b>521180</b>	<b>4.86</b>	<b>0</b>	<b>521180</b>	<b>521180</b>	<b>4.86</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	457102	457102	4.26	0	457102	457102	4.26	0.00
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	1365968	1365968	12.73	0	1365968	1365968	12.73	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	6292400	6292400	58.63	0	6292400	6292400	58.63	0.00
c) Others (HUF)	0	0	0	0.00	0	0	0	0.00	0.00
Non Resident Indians	0	49120	49120	0.46	0	49120	49120	0.46	0.00
Employees	0	0	0	0.00	0	0	0	0.00	0.00
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>8164590</b>	<b>8164590</b>	<b>76.08</b>	<b>0</b>	<b>8164590</b>	<b>8164590</b>	<b>76.08</b>	<b>0.00</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>0</b>	<b>8685770</b>	<b>8685770</b>	<b>80.93</b>	<b>0</b>	<b>8685770</b>	<b>8685770</b>	<b>80.93</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>10732272</b>	<b>10732272</b>	<b>100</b>	<b>0</b>	<b>10732272</b>	<b>10732272</b>	<b>100</b>	<b>0.00</b>

**ii) Shareholding of Promoters-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rita Garg	46502	0.43	0	46502	0.43	0	0
2	Alpha Antibiotics Ltd	1350000	12.58	0	1350000	12.58	0	0
3	Kesho Ram Leasing Ltd.	150000	1.40	0	150000	1.40	0	0
4	Munak Engineers (P) Ltd	500000	4.66	0	500000	4.66	0	0

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

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2046502	19.07	2046502	19.07
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):				
	At the end of the year	2046502	19.07	2046502	19.07

**iv) Shareholding Pattern of top ten Shareholders:**

**(other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	7044930	65.64	7044930	65.64
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	7044930	65.64	7044930	65.64

**v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 1. RITA GARG	46502	0.43	46502	0.43
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year 1. RITA GARG.	46502	0.43	46502	0.43

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	0	20414572	0	20414572
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	00	0	00
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	20414572	0	20414572
<b>Change in Indebtedness during the financial year</b>	0			
* Addition	0	1703070	0	1703070
* Reduction	0	371420	0	371420
<b>Net Change</b>	0	1331650	0	1331650
<b>Indebtedness at the end of the financial year</b>	0	21746222	0	21746222
i) Principal Amount	0	21746222	0	21746222
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	21746222	0	21746222

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- NIL**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total (A)	0	0	0	0	0
	Ceiling as per the Act	0	0	0	0	0

*B. Remuneration to other directors*

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	0	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	0	0
2	Other Non-Executive Directors	0	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per the Act	0	0	0	0	0

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	0	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	0	0	0

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

PLACE : CHANDIGARH  
 DATED: 29<sup>th</sup> July, 2015

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

Sd/-  
 RITA GARG  
 DIRECTOR  
 (DIN-00236460)

**Independent Auditor's Report****To the Members of  
Munak Chemicals Limited****Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of **Munak Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

8. 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 Employees". 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 aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2015, and its profit for the year ended on that date.

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

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;



- c. the standalone financial statements dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigations which would impact its standalone financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no amount which is required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.C.Dewan & Co.**  
Chartered Accountants  
Firm's Registration No.: 000934N

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

Place: Chandigarh

Date: 29 July 2015

**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 31<sup>st</sup> March, 2015.**

*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 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 189 of the Companies Act, 2013.

(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken interest free loans from companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. 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 assets and of sale of goods and service, hence the provisions of internal control system are not applicable.

5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.

6. The company has been required to maintain cost records under Section 148(1) of the Companies Act, 2013 but, as the company had closed its operations and there is no production/stock/sale as such, hence no cost records have been maintained.

7. 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 31<sup>st</sup> of March, 2015 for a period of more than six months from the date they became payable.

8. The company has been registered for a period of more than five years, having existing share capital of **Rs.107221110/-**. Its accumulated losses at the end of the financial year amount to **Rs. 128769622/-** which is more than 100% of its net worth.

9. Based on our audit procedures and on the information and explanations given by the management, the company has not raised loans from any financial institution, banks or debenture holders as such the question of defaults does not arise.

10. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
11. 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.
12. Based on the audit procedures performed and the information and explanations given to us, 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

Place: Panchkula  
Date: 29.07.2015

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

**MUNAK CHEMICALS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2015**

PARTICULARS	NOTE NO.	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	107221110	107221110
(b) Reserves and Surplus	2	(128769622)	(139562955)
(c) Money Received Against share warants	3	0	0
<b>(2) Share Application money</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>(3) Non-current liabilities</b>			
(a) Long Term Borrowing	5	20414572	31096834
(b) Deferred Tax Liabilities (Net)	6	0	0
(c) Other Long Term Liabilities	7	0	0
(d) Long Term Provisions	8	751497	711400
<b>(4) Current liabilities</b>			
(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	505241	599868
<b>TOTAL</b>		<b>122798</b>	<b>66257</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(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	0
(e) Other Non Current Assets	17	0	0
<b>(2) Current assets</b>			
(a) Current Investments	18	0	0
(b) Inventories	19	0	0
(c) Trade Receivable	20	0	0
(d) Cash and cash equivalents	21	31644	62629
(e) Short Term Loans & Advances	22	91154	3628
(f) Other current assets	23	0	0
<b>TOTAL</b>		<b>122798</b>	<b>66257</b>
<b>Significant Accounting Policies and Other Explanatory Notes and Information</b>	<b>30</b>		

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

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

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 : 29th July, 2015

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

**MUNAK CHEMICALS LIMITED**

**NOTES TO ACCOUNTS**

**(1) SHARE CAPITAL**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
<b>AUTHORISED</b>		
11000000 (Previous year 11000000) Equity Shares of Rs. 10/- each	110000000	110000000
<b>ISSUED SUBSCRIBED, CALLED &amp; PAID UP</b>		
10732272 (Previous year 10732272) Equity Shares of Rs. 10/- each	107322720	107322720
LESS : CALLS-IN-ARREAR Other than Directors	101610	101610
<b>TOTAL SHARE CAPITAL</b>	<b>107221110</b>	<b>107221110</b>

The reconciliation of number of shares outstanding is set out below:

Particulars	31st March, 2015		31st March, 2014	
	Equity Shares Number		Equity Shares Number	
Equity Shares at the beginning of the year	10732272		10732272	
Shares Issued	0		0	
Shares cancelled	0		0	
Equity Shares at the end of the year	10732272		10732272	

The detail of Shareholders holding more than 5% shares.

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	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, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Loss Brought forward	(139562955)	(138070621)
Add: Profit / (Loss) for the year	10793333	(128769622) (1492334) (139562955)
<b>TOTAL RESERVES &amp; SURPLUS</b>	<b>(128769622)</b>	<b>(139562955)</b>

**(3) Money Received against share Warrants**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Money Received against share Warrants	0	0
	<b>0</b>	<b>0</b>

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

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Share Application Money received	0	0
	<b>0</b>	<b>0</b>

**(5) Long Term Borrowing**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
<b>LOAN AND ADVANCES</b>		
<b>Unsecured :</b>		
<b>A) Inter Corporate Deposit :</b>		
Anubhav Industrial Resources Ltd.	0	8359359
Keshoram Leasing Limited	0	4267104
Munak Engineers Pvt. Ltd.	1735601	740000
Vijay Kumar Garg Contractor Pvt. Ltd.	13449477	13260877
	<b>15185078</b>	<b>26627340</b>
<b>B) From Director</b>	5229494	4469494
	<b>5229494</b>	<b>4469494</b>
<b>TOTAL LOANS &amp; ADVANCES( A + B )</b>	<b>20414572</b>	<b>31096834</b>

**(6) Deffered Tax Liability**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Deffered Tax Liability	0	0
	<b>0</b>	<b>0</b>

**(7) Long Term Liabilities**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Long Term Liabilities	0	0
	<b>0</b>	<b>0</b>

**(8) Long Term Provisions**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Gratuity Payable	751497	711400
	<b>751497</b>	<b>711400</b>

**(9) Short Term Borrowing**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Short Term Borrowing	0	0
	<b>0</b>	<b>0</b>

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

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Trade Payable	0	0
	<u>0</u>	<u>0</u>

**(11) Other Current Liabilities**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Other Current Liabilities	0	0
	<u>0</u>	<u>0</u>

**(12) Short Term Provisions**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Expenses Payable	19340	27484
Rent Payable	209581	166127
P.F. Payable	10958	10435
E.S.I. Payable	1198	1270
T.D.S. Payable	3708	4223
Salary Payable	45556	44418
Audit Fee Payable	33371	33371
Amount Payable	181529	312540
	<u>505241</u>	<u>599868</u>

**(13) Fixed Assets**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Fixed Assets	0	0
	<u>0</u>	<u>0</u>

**(14) Non Current Investments**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (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, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Deferred Tax Assets (Net)	0	0
	<u>0</u>	<u>0</u>

**(16) Long Term Loans & Advances**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Security Deposit	0	0
	<u>0</u>	<u>0</u>

**(17) Other Non Current Assets**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Other Non Current Assets	0	0
	<u>0</u>	<u>0</u>

**(18) Current Investment**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Current Investment	0	0
	<u>0</u>	<u>0</u>

**(19) Inventory**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Inventory	0	0
	<u>0</u>	<u>0</u>

**(20) Trade Receivable**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (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, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
- Cash-in hand	22609	55572
- Balance with Scheduled Banks in C/A	9035	7057
	<u>31644</u>	<u>62629</u>

**(22) Short Term Loans & Advances**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Amount recoverable	91154	3628
	<u>91154</u>	<u>3628</u>

**(23) Other Current Assets**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Other Current Assets	0	0
	<u>0</u>	<u>0</u>

**MUNAK CHEMICALS LIMITED****PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31.03.2015**

PARTICULARS	NOTE NO.	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Revenue from Operations	24	0	0
Other Income	25	0	0
<b>Total Revenue</b>		<b>0</b>	<b>0</b>
<b>Expenses</b>			
Change in Inventories of Finished Goods and Work In Progress, Stock In Trade	26	0	0
Employee Benefit Expenses	27	605147	716215
Financial Expenses	28	0	0
Other Expenses	29	577983	473731
<b>Total Expenses</b>		<b>1183130</b>	<b>1189946</b>
<b>Loss for the year</b>		<b>1183130</b>	<b>1189946</b>
Previous Year Expenses		0	69000
Security Deposit Written Off		0	233388
<b>EXTRA ORDINARY ITEM</b>			
Credit Balance W/back		11976463	
<b>Net Profit / (Loss) Transferred</b>		<b>10793333</b>	<b>(1492334)</b>
<b>Earning Per Share:</b>			
(1) Basic		1.00	-0.14
(2) Diluted		1.00	-0.14

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

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

Sd/-  
(RITA GARG)  
DIRECTOR  
DIN-00236464

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

Place : Chandigarh  
Date : 29th July, 2015

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

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

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Revenue From Operation	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**(25) OTHER INCOME**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Misc. Income	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

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

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Increase/Decrease in Stock		
Opening Stock	0	0
Add:Purchase	0	0
Less:Closing Stock	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**(27) EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Salary, Wages & Other Allowances Staff		
- Gross Salary	624590	
- Share of Salary Transferred to Group Companies	<u>128798</u>	
	495792	602860
Cont. to ESI	10899	10946
Cont. to PF	54619	51100
Gratuity	40097	48519
Welfare Expenses	3740	2790
<b>TOTAL</b>	<b>605147</b>	<b>716215</b>

**(28) FINANCIAL EXPENSES**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Financial Expenss	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**MUNAK CHEMICALS LIMITED****(29) OTHER EXPENSES**

PARTICULARS	AS AT 31ST March, 2015 (Rs.)	AS AT 31ST March, 2014 (Rs.)
Rent		
- Gross Rent	78150	
- Share of Rent transferred to Group Company	<u>7762</u>	70388
Electricity & Water Charges		78150
- Gross Electricity & Water Charges	55407	
- Share of Elect. & Water Charges transferred to Group Company.	<u>8311</u>	47096
44962		
Telephone & Mobile		
- Gross Telephone & Mobile	71213	
- Share of Telephone & Mobile transferred to Group Company.	<u>10682</u>	60531
70377		
Travelling Charges	210	8020
Printing & Stationary Charges	111514	97558
Postage Charges	182780	92603
Advertisement & Publicity	0	5800
Legal & Professional Charges	54200	33700
Audit Fee	37079	37079
Fee & Subscription	7530	3667
News Paper & Periodicals	5595	905
Bank charges	1060	910
	<u>577983</u>	<u>473731</u>

**MUNAK CHEMICALS LIMITED**  
Cash flow statement for the period ended 31st March, 2015

□ In lacs

S. No.	Particulars	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
		March 31, 2015		March 31, 2014	
A.	<b>Cash Inflow/ (Outflow) from Operating activities</b>				
	<b>Profit / (Loss) before tax</b>		10,793,333		(1,492,334)
	Depreciation				
	Miscellaneous expenses written off				
	Bad debts written off				
	Profit / ( Loss) on sale of assets				
	Profit / ( Loss) on sale of investments				-
	Interest received				
	Effect of Exchange Rate Change				
	Interest paid				-
	<b>Operating profit before working capital changes</b>		<b>10,793,333</b>		<b>(1,492,334)</b>
	Adjustment for				
	- (Increase)/ decrease in inventory		-		-
	- (Increase)/ decrease in trade and other receivables		-		-
	- Increase/ (decrease) in trade payables		-		-
	<b>Cash inflow from operating activities</b>		<b>10,793,333</b>		<b>(1,492,334)</b>
	Taxes paid		-		-
	<b>Net cash from / (used) in operating activities</b>		<b>10,793,333</b>		<b>(1,492,334)</b>
B	<b>Cash flows from/ (used) in Investing Activities</b>				
	Purchase of fixed assets				
	Exchange fluctuation in Fixed assets/CWIP				
	Sale of fixed assets				
	Sale of investments	-		-	
	Investment in mutual fund				
	Profit on sale of investments / Assets	-		-	
	Interest received				
	<b>Net cash from / (used) in investing activities</b>		<b>-</b>		<b>-</b>
C	<b>Cash flows from/ (used) in Financing Activities</b>				
	Proceeds from issue of equity shares incl premium				
	Proceeds from long term borrowings				
	Proceeds from long term Provisions/Short Term Provisions	(54530)		99,330	
	Repayment of long term borrowings (net of fluctuation)	-		233,388	
	Proceeds from/ (repayment of) Unsecured loans	(10682262)		1,118,400	
	Changes in working capital loans/short term borrowings	-		-	
	(increase)/Decrease in Long/short Term Loan and Advances	(87526)		73,030	
	Dividend paid				
	Interest paid				
	<b>Net cash from / (used) in financing activities</b>		<b>(10,824,318)</b>		<b>1,524,148</b>
	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(30,985)</b>		<b>31,814</b>
	Cash and cash equivalents as at April 1, 2014		62,629		30,815
	<b>Cash and cash equivalents as at March 31, 2015</b>		<b>31,644</b>		<b>62,629</b>

**AUDITORS' CERTIFICATE**

We have verified the attached Cash Flow Statement of M/s Munak Chemicals Limited derived from audited financial statements and the books & records maintained by the Company for the year ended **31st March, 2015** and found the same in agreement therewith.

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

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

Sd/-  
(RITA GARG)  
DIRECTOR  
DIN-00236464

**AUDITOR'S REPORT**

As per our Separate Report of even date  
for S.C. DEWAN & CO.

PLACE ; Chandigarh  
DATED: 29th July, 2015

Sd/-  
PARTNER  
M. NO. 015678

# **MUNAK CHEMICALS LIMITED**

## **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. 40,097/- 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. During the year under consideration the company has transferred 30% Salary Expenses & 15% Rent, Electricity & water charges and Telephone Expenses to Group Companies.

7. *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.
8. All figures have been rounded off to the nearest rupee.
9. Note No. '1' to '30' form an integral part of the Balance Sheet and Profit & Loss account and have been duly authenticated.
10. 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.

11. Earning per share (EPS) Basic/Diluted Earning per share	Current year (Rs.)	Previous year (Rs.)
Profit/(Loss) after tax as per Profit & loss account	10793333	(1492334)
Less :- Dividend and Tax thereon in respect of preference shares	-	-
Profit/(Loss) Available for the share-holder (A)	10793333	(1492334)
No. of equity share (B)	10732272	10732272
Earning per share (Rs.) (A/B) (Basic & Diluted)	1.00	-0.14

Sd/-  
LOK NATH AGGARWAL  
GENERAL MANAGER (COM)

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

Sd/-  
RITA GARG  
DIRECTOR  
(DIN-00236460)

PLACE : CHANDIGARH  
DATED: 29<sup>TH</sup> JULY, 2015

As per our Separate Report of even date.

For S .C. DEWAN & CO  
Chartered Accountants

PLACE: CHANDIGARH  
DATED: **29<sup>th</sup> July, 2015**

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