

**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 30<sup>th</sup> 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 25<sup>th</sup> 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, 29<sup>th</sup> 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 25<sup>th</sup> 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 09<sup>th</sup> 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: 25<sup>th</sup> 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<br>06.09.2011  | 11.30 AM | H. No. 5458,<br>Hazi Rattan Gate,<br>Near Mini Secretariat,<br>Bathinda-151005. |
| 32nd   | 01.04 2011 to 31.03.2012 | Thursday<br>30.08.2012 | 11.30 AM | H. No. 5458,<br>Hazi Rattan Gate,<br>Near Mini Secretariat,<br>Bathinda-151005  |
| 33rd   | 01.04 2012 to 31.03.2013 | Friday<br>06.09.2013   | 11.30 AM | H. No. 5458,<br>Hazi Rattan Gate,<br>Near Mini Secretariat,<br>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 <sup>th</sup> 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 23<sup>rd</sup> September, 2014 to Monday, 29<sup>th</sup> 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 got 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.