



Munoth Financial Services Limited

24th Annual Report 2014-2015



MUNOTH FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

Lalchand Munoth, Chairman
Jaswant Munoth, Managing Director
Bharat Munoth
Vikas Munoth
Tansri Rajandram
Mah Sau Cheong
Ajit Kumbhat
Lakshika Mehta

SECRETARY

A G Nandini

AUDITORS

Mardia & Associates
Chartered Accountants
1-A, Valliammal Road,
Chennai - 600 007.

SECRETARIAL AUDITOR

V. Chandramowli
Practicing Company Secretary
344, Ambujammal Street, Chennai -18

BANKERS

HDFC Bank
Bank of Baroda
The Federal Bank Ltd.

LEGAL ADVISORS

Aiyar & Dolia
Advocates
29 & 30, Law Chambers
High Court Buildings
Chennai - 600 104.

REGISTRARS AND SHARE TRANSFER AGENTS

Cameo Corporate Services Limited
"Subramanian Building"
1, Club House Road,
Chennai - 600 002.

REGISTERED OFFICE

Munoth Centre, Suite No. 46 & 47
3rd Floor, 343, Triplicane High Road,
Chennai - 600 005.

CIN NO:

L65991TN1990PLC019836





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MUNOTH FINANCIAL SERVICES LIMITED

MUNOTH FINANCIAL SERVICES LIMITED

CIN NO: L65991TN1990PLC019836

Regd. Office : Suite No.46 & 47, Munoth Centre, 343, Triplicane High Road,
3rd Floor, Chennai - 600 005.

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held on Wednesday, September 23, 2015 .at 10.25 a.m. at Nahar Hall (South India Hire Purchase Association), Desabandhu Plaza, 1st floor, 47, Whites Road, Royapettah, Chennai – 600 014 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial statements of the Company for the financial year ended March 31, 2015 including the audited Balance Sheet as on that date and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Lalchand Munoth (DIN No: 01693640) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jaswant Munoth (DIN No.00769545) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment
4. To appoint a Director in place of Mr. Bharat Munoth (DIN No.00769588) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. Ratification of appointment of Auditors

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of Mardia & Associates, Chartered Accountants (Firm’s Registration No. 007888S) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 25th Annual General Meeting of the Company to be held in year 2016 to examine and audit the accounts of the Company for the Financial Year 2015-16 at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors and the Auditors.”.

SPECIAL BUSINESS

6. To appoint Ms. Lakshika Mehta (DIN NO: 07183815) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Lakshika Mehta,(DIN NO: 07183815) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and who has submitted a declaration



MUNOTH FINANCIAL SERVICES LIMITED

that she meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 23, 2015 to September 22, 2020.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the approval of the Board of Directors and recommendation of remuneration committee and subject to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 approval of Members be and is hereby accorded to Mr. Jaswant Munoth (DIN : 00769545), for reappointment as a director, liable to retire by rotation, and also “Managing Director” of the Company for a period of two years effective from 24th June 2015 to 23rd June 2017, on the terms and conditions of appointment and remuneration, as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of re-appointment and remuneration so as to not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 read with limits specified in Schedule V to the Companies Act, 2013 and as may be agreed to by the Board of Directors and Mr. Jaswant Munoth.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

By order of the Board
for **MUNOTH FINANCIAL SERVICES LIMITED**

Date: May 22, 2015
Chennai

LALCHAND MUNOTH
CHAIRMAN

NOTES:

EXPLANATORY STATEMENT

The relevant explanatory statement pursuant to Sec 102 of the Companies Act, 2013 is annexed hereto

APPOINTMENT OF PROXY

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.



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CLOSURE OF REGISTER OF MEMBERS:

The Register of Members and the Share Transfer Books of the Company will remain closed from September 17, 2015 to September 23, 2015 (both days inclusive)

CHANGE OF PARTICULARS:

Members holding shares in dematerialised form are requested to intimate all particulars of mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such details to Cameo Corporate Services Ltd, "Subramaniam Building", No.1, Club House Road, Chennai - 600 002

The Notice is being sent to all the members of the Company whose name appears in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited ("NSDL")/ Central Depository Services (India) Limited ("CDSL") as on August 21, 2015 .

ATTENDANCE SLIP:

For the convenience of the Shareholders Attendance slip is annexed to the proxy form. The Shareholders are requested to fill in and affix their signatures at the space provided therein and hand over the attendance slip at the entrance of the place of the meeting. Proxy/Representative of Shareholders should mark on the attendance slip as "Proxy" or "Representative" as the case may be. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting. 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.

DEMATERIALISATION OF SHARES:

The company's equity shares have been notified for compulsory dematerialisation. Accordingly trading of these shares through Stock Exchange would be facilitated if the share certificates are dematerialised. Members having the physical share certificates are advised to consider opening of a Demat account with an authorised Depository participant and arrange for dematerialising their shareholdings in the company.

REQUEST TO MEMBERS:

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the meeting. They are further requested to occupy their seats at least fifteen minutes before the scheduled time for the commencement of the meeting to avoid interruption in the proceedings.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form, are , therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts, Members holding shares in physical form can submit their PAN to the registrars, Cameo Corporate services Limited

Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. It is strongly recommended that shareholders having more than one folio in the same name or with identical names in the same order in case of Joint holdings, are requested to write to the company's Share Transfer Agents, viz Cameo Corporate Services Ltd immediately along with the relevant share certificates to enable consolidation of such holdings in a single folio. If the shares are jointly held such requests should be signed by all the joint holders.



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GREEN INITIATIVE

In accordance with Green Initiative circular issued by Ministry of Corporate Affairs (MCA), members are requested to inform their current E-mail address in the following manner:

- For shares held in Electronic form: to their Depository Participant (DP).
- For shares held in Physical Form: to the Company or its Registrars and Share Transfer Agents (RTA).

In terms of the aforesaid Green Initiative circular of MCA, the Company is sending Annual Report and other communications/ documents required to be sent to its Members under Companies Act, 1956 by E-mail to Members whose E-mail address is registered. In case your E-mail address is not registered with your Depository Participant/ the Company, a physical copy of the Annual Report and other communications/ documents will be sent to you. You can also change your instructions at any time hereafter and request the Company to send communications to you in physical form.

VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

Voting Rights are reckoned on the basis of the shares registered in the names of the members/beneficial owners as on the record date fixed for this purpose i.e September 16, 2015. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 20, 2015 9:00 A M and ends on September 22, 2015 at 5:00 P M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) September 16, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The shareholder who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



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(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders):</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name followed by 8 digits of the sequence number in the PAN field.(Sequence number has been provided as Serial Number (SL NO.) in the Address Label)In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.



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(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website www.munothfinancial.com and on the website of CDSL within a period not exceeding three working days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.

Mr. V Chandramowli, practicing Company Secretary has been appointed as scrutinizer for conducting the e-voting process in fair and transparent manner.

Particulars of Directors seeking appointment/ re- appointment as required under clause 49 of the Listing Agreement.

The particulars in respect of Directors seeking appointment/ re-appointment in the forthcoming Annual General Meeting as required under clause 49 of the Listing Agreement, are available in the 'Board of Directors' section in the report on Corporate Governance in the Annual Report.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ('the Act')

The following statements sets out all material facts relating to the Special Business mentioned in the accompanying notice.

Item No. 6

The board of Directors on their meeting held on May 22, 2015 has appointed Ms. Lakshika Mehta as additional Director in terms of Section 161 of the Companies act, 2013 in the category of Independent Director.

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman director.

Ms. Lakshika Mehta DIN NO:07183815, aged 26 years is a commerce graduate and a member of Institute of Chartered Accountants of India. She has worked as a part articleship with Ernst & Young



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She has also worked under Deloitte Haskins & Sons and has handled various assignments including Risk Advisory & Consulting Services as a field senior. She is working as Specialist - Local Statutory Reporting at Shell India Market Pvt Limited. She is also Director of Munoth Communication Limited.

It is proposed to appoint Ms. Lakshika Mehta as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years from September 23, 2015 to September 22, 2020. She is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given her consent to act as Directors.

The Company has received notice in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of Ms. Lakshika Mehta for the office of Director of the Company.

The Company has also received declaration from Ms. Lakshika Mehta that she meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Ms. Lakshika Mehta fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement.

Copy of the draft letters for respective appointment of Ms. Lakshika Mehta as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Ms. Lakshika Mehta is interested in the resolution set out respectively at Item Nos. 6 of the Notice with regard to her appointment.

Ms. Lakshika Mehta and her relatives may be deemed to be interested in the resolution set out at Item No.6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolutions set out at item No. 6 of the Notice for approval by the shareholders.

Item No. 7

Mr. Jaswant Munoth was appointed as the Managing Director for two years with effect from June 25, 2013. Keeping in view his entrepreneurial spirit and commitment as well as taking into account his responsibilities the nomination and remuneration committee has decided to reappoint him as Managing Director with the remuneration of Rs. 2,00,000/- per annum. Mr. Jaswant Munoth is also the Managing Director of Munoth Communication Limited. The Board of Directors in their meeting held on May 22, 2015 has decided to reappoint him as the Managing Director of the Company for the period of two years with effect from June 25, 2015 to June 24, 2017 and who is eligible to retire by rotation.

He is also a member of the Shareholder/ Investor Grievance Committee of the Board of Directors of the Company. Mr. Jaswant Munoth is a Commerce graduate with a Masters Degree in Business Administration. He has extensive knowledge in the field of finance and investments. His dynamism and the business acumen will be of great asset to the Company.



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The material terms of appointment and remuneration as contained in the draft Agreement are given below: -

I) Salary, Allowances and Commission (hereinafter referred to as “Remuneration”):

a) Salary comprising

(i) Basic salary: At the rate not exceeding ‘2,00,000/- per month; and (ii) Allowances: Not exceeding one and a half times the Basic salary, with increments as may be decided by the Board of Directors of the Company from time to time.

b) Commission and Performance linked incentive:

On net profits of the Company determined in accordance with the relevant provisions of the Companies Act, 2013 at a rate to be determined by the Board of Directors from time to time, but not exceeding an amount equivalent to twice the Salary in I(a) above, for the relevant period. The payment may be made on a pro-rata basis every month or on an annual basis or partly monthly and partly on an annual basis at the discretion of the Board.

II) Perquisites:

1. In addition to the Remuneration as stated above, Mr. Jaswant Munoth shall be entitled, as per Rules of the Company, to perquisites like:

a. Rent-free furnished residential accommodation with free use of all the facilities and amenities, such as air conditioners, geysers etc.

In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance as per policy of the Company.

b. Reimbursement of all medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalisation.

c. Personal Accident Insurance Premium.

d. Air passage and/or leave travel allowance for self and members of his family

e. Subscription to clubs.

f. Use of Company maintained cars with drivers for business and personal use.

g. Use of communication devices such as telephones, audio and video conference facilities etc., at the residence.

h. Education Allowance for children, whether abroad or in India.

i. Encashment of leave at the end of his tenure as per policy of the Company.

j. Contributions to provident fund, superannuation fund or annuity fund and any other retirement benefits.

k. Participation in any/ all employee stock option schemes/ plans of the Company

l. Gas, Electricity, water & furnishings; maintenance and repairs thereof

m.. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Jaswant Munoth



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The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount not exceeding the Salary in I(a) above for the relevant period. The perquisites mentioned above from (h) to (m) shall be based on actual amounts and excluded from the aforesaid perquisite limit.

2. The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the limits stipulated.

III) Minimum Remuneration:

Notwithstanding anything herein contained, where in any financial year during the period of his office as Managing Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay Mr.Jaswant Munoth remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 (corresponding to Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr.Jaswant Munoth.”.

He is also Managing Director of Munoth Communication Limited. He is also Director of Munoth Industries Limited, Misrimal Navajee estates Pvt Ltd, Maharana Finance & Investments Pvt, Ltd, Shankeswar Finance & Investments Pvt. Ltd, South India Chemicals & Leasing Pvt. Ltd., Munoth Bioscience Limited and Munoth Neg windfarm private Limited.

By order of the Board
for **MUNOTH FINANCIAL SERVICES LIMITED**

Date: May 22, 2015
Place: Chennai

LALCHAND MUNOTH
CHAIRMAN



MUNOTH FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

To The Members

Your Directors have pleasure in presenting their Twenty Fourth Annual Report together with the Audited Accounts for the year ended March 31, 2015.

FINANCIAL RESULTS:

Particulars	2014-2015 Rs.in Lacs	2013-2014 Rs. in Lacs
Total Revenue	153.56	121.67
Total Expenses	162.88	134.98
Profit or Loss before Exceptional and Extraordinary items and Tax	(9.32)	(13.31)
Less: Exceptional Items	-	-
Less: Extraordinary Items	-	-
Profit/(Loss)before Tax	(9.32)	(13.31)
Less: Current Tax	-	-
Deferred Tax	(2.63)	0.76
Profit/(Loss) after Tax	(6.69)	(14.07)
Add: Balance as per statement of Profit & Loss	27.75	41.82
Add: Adjustment relating to Fixed Asset	(6.48)	-
Balance (statement of Profit & Loss)		
Transferred to Balance Sheet	14.57	27.75

REVIEW OF BUSINESS OPERATIONS:

During the financial year 2014-15, the Company's total revenue has increased to Rs. 153.56 lakhs compared to Rs. 121.67 lakhs in the previous year. The total income from operations has increased to Rs. 145.01 lakhs compared to Rs. 104.13 lakhs in the previous year. The Company was able to reduce losses to Rs. 6.69 lakhs as against Rs. 14.07 lakhs in the previous year.

Stock Broking

Income from stock broking operations has increased from Rs. 26.90 lakhs in the previous year to Rs. 52.15 lakhs in the current year. The broking turnover of the company in cash segment is Rs. 184.78 crores compared to Rs. 188.69 crores in the last financial year and in F & O segment is Rs.2926.61 crores compared to Rs. 501.10 crores in the last financial year.

The Company provides institutional broking business and is empanelled with several public sector banks and insurance companies.

Depository participant:

As a Depository Participant the company offers facilities to both institutional and retail investors to maintain their investments in securities in electronic form. Income from Depository operations has increased to Rs. 22.01 lakhs against Rs. 10.05 lakhs in the previous year.



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Portfolio Management Services:

The Company continues to provide PMS services under both discretionary and non – discretionary basis. Income from Portfolio Management services amounted to Rs. 0.83 lakhs in the current financial year.

Merchant Banking:

The Company is in the process of doing assignments related to SME segment.

The Company has been appointed as Investment Managers by IL & FS Trust Company Limited for Valmark Infra and Realty Trust, a SEBI registered Alternate Investment Fund – Category II (AIF II) .and the first scheme of the trust is targeting a corpus of Rs 125 crores comprising of units of INR 1 crore each on private placement basis for investment horizon of 3 to 5 years. The fund announced its first closing on October 29, 2013

Income from Management services amounted to Rs. 70 Lakhs in the current financial year

FUTURE PROSPECTS

The Company will endeavor to increase income from operations by focusing on HNI's in the retail segment in stock broking division. The Company is also working on getting itself empanelled with more public sector banks and insurance companies under institutional broking. The Company will continue to focus on getting more HNIs and NRIs in both discretionary and non-discretionary basis in Portfolio Management service division. The company will try to do assignments related to SME segment, delisting and other issue related activities.

DIVIDEND:

The Board of Directors has decided not to recommend any dividend.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the companies Act, 2013 do not apply as there was no dividend declared and paid last year.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN 31ST MARCH 2015 (THE END OF THE FINANCIAL YEAR and 22nd MAY 2015 (THE DATE OF REPORT)

There were no material changes and commitments affecting the financial position of the company between 31st March 2015 (the end of the financial year) and 22nd May 2015 (the date of the report).

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

The Company has no activities relating to conservation of energy, technology absorption, foreign exchange earning and outgo and hence the provisions of Section 134(m) of the Companies Act, 2013 is not applicable to the Company.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Risk Management Committee of the Company continuously monitors business and operations risk through an efficient risk management system.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable for the financial year 2014-15.



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PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not provided working capital loan, Guarantee or provided security. The details of investments made by the company are given in the notes to the financial statements.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES.

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Director's qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as Annexure 1 and is attached to this report.

EVALUATION

The aspects covered in the evaluation included the contribution made by the Directors to the corporate governance practices, long term strategic planning, fulfillment of Director's obligations and fiduciary responsibilities and active participation at the Board and Committee meetings. The effectiveness of Board / Committee processes were assessed based on the Directors' inputs received during the meetings of the Board and one to one meeting by the Chairman with the Directors.

EXTRACT OF ANNUAL RETURN

The Extract of Annual return as on March 31, 2015 as provided under Sub-section (3) of section 92 in Form No. MGT - 9 is being annexed as Annexure 2 to the report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is presented in separate section forming part of the Annual Report as Annexure 3

DIRECTOR'S RESPONSIBILITY STATEMENT:

As required in Clause (c) of Sub- Section (3) of Section 134 of the Companies Act, 2013, your Director confirms and state that-

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the close of the financial year ended 31st March 2015 and of the Profit/Loss of the company for the year ended 31st March 2015.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEPOSITS

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of balance sheet.

DIRECTORS:

Mr. Bharat Munoth, Mr. Jaswant Munoth and Mr. Lalchand Munoth retires by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.



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Mr. Jaswant Munoth, whose period of office of Managing Director expired on June 24, 2015 was appointed as the Managing Director of the Company for the period of 2 years from 25th June 2015 to 24th June 2017 subject to the approval of the shareholders at the AGM.

Ms. Lakshika Mehta has been appointed as an Additional Director of the Company with effect from May 22, 2015. she is proposed to be appointed as Independent Director at the ensuing Annual General Meeting for a term of 5 consecutive years from the date of the ensuing Annual General Meeting as required under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The profiles of Mr. Jaswant Munoth, Managing Director, Mr. Bharat Munoth, Mr. Lalchand Munoth and Ms. Lakshika Mehta are given separately in the Corporate Governance Report.

DECLARATION OF INDEPENDENT DIRECTORS:

The independent Directors have confirmed and declared that they are not disqualified to act as an independent Director in compliance with the provisions of Section 149 of the Companies Act., 2013.

ADEQUACY OF INTERNAL CONTROL, FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

STATUTORY AUDITORS:

M/s Mardia & Associates, Chartered Accountants ,who are the statutory auditors of the Company, hold office until the conclusion of the ensuing AGM and are eligible for re-appointment. Members of the Company at the AGM held on 20th September, 2014 had approved the appointment of Mardia & Associates as the Statutory Auditors for a period of three financial years i.e., up to 31 March, 2017. As required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, requisite resolution forms part of the notice convening the AGM.

SECRETARIAL AUDIT REPORT:

A Secretarial Audit was conducted during the year by the secretarial Auditor, Mr. V. Chandramowli, Practicing Company Secretary in accordance with provisions of section 204 of the Companies Act, 2013. The Secretarial Audit Report is attached as Annexure 4 and forms a part of the report of the Directors.

COST AUDIT:

Cost Audit is not applicable to the Company for the financial year 2014-15.

EXPLANATION / COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS.

The comments made by the Auditors in their report have been duly explained in the attached Notes on Accounts. (Note No. 1(I))

The Company, in order to comply with the requirement of Clause 49(II) (A) (1) of Listing Agreement , regarding appointment of woman director has sent an invitation letter to Ms. Lakshika Mehta to join the Board of Company on March 2, 2015. Ms. Lakshika Mehta has also sent a letter dated March 16, 2015 accepting the invitation to join the board. The Board in the meeting held on May 22, 2015 has appointed Ms. Lakshika Mehta as an additional Director in terms of Section 161 of the Companies act, 2013 in the



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category of Independent Director. Her appointment as independent director is placed before the Members for approval under Item 6 of the accompanying notice.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary or Joint venture Company. The Company, Munoth Neg Wind Farm(P) Ltd ceased to be associate during the financial year 2014-15. As per exception provided under Rule 6 of the Companies (Accounts) Rules, 2014 (Notification G.S.R. 723(E) dated 14.10.2014). a company having no subsidiaries but having only associate company(ies) and/or joint venture(s) is exempted from consolidation of financial statement in respect of associate company(ies) and/or joint venture(s) for the financial year commencing on or after 01.04.2014 and ending before 31.03.2015. The nil disclosure in Form No. AOC 1 is enclosed as Annexure 5.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

In line with the requirements of the Companies act, 2013 and equity listing agreement, the Company has formulated a policy on Related Party transactions which is also available on Company's website at www.munothfinancial.com. The policy intends to ensure that proper reporting, approval and disclosure procedures are in place for all transactions between the Company and Related Parties.

All Related Party transactions are placed before the Audit Committee for review and approval, Prior omnibus approval is obtained for Related Party transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

There is no materially significant related party transactions which exceeds 10% of the consolidated turnover of the Company. The nil disclosure in Form No . AOC.2 is enclosed as Annexure 6

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE:

There are no persons employed in the Company during the year or for part of the year who were in receipt of remuneration in excess of the limits set out in Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with in terms of provisions of Section 197(12) of the Companies Act, 2013.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014 are provided in the Annual Report as Annexure 7

In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, which is available for inspection by the members at the registered office of the company during business hours on working days of the company. If any member is interested in inspecting the same, such member may write to the Company in advance and the same will be furnished. The full annual report is also available on the Company's website.

VIGIL MECHANISM:

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising Senior Executives of the Company. The policy on vigil mechanism and whistle blower policy may be accessed on the company's website www.munothfinancial.com

CORPORATE GOVERNANCE:

A report on Corporate Governance along with the Auditor's Certificate regarding compliance of the conditions of Corporate Governance and also a Management Discussion and Analysis Report pursuant to Clause 49 of the Listing Agreement are annexed hereto. The Auditor's have certified the Company's Compliance



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of the requirements of Corporate Governance in terms of the Listing Agreement and the same is enclosed to the Corporate Governance Report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Company has conducted 5 Board meetings during the financial year under review. The details regarding the Board Meetings, Audit Committee Meetings, Nomination and Remuneration Committee meeting etc., are given separately in the Corporate Governance Report .

AUDIT COMMITTEE:

The Audit Committee comprises of Independent Directors namely Mr. Ajit Kumbhat (Chairman) , Mr. M Jayantilal Jain and Mr. Mah Sau Cheong as Members. All the recommendations made by the Audit Committee were accepted by the Board

STOCK EXCHANGES

The Company's shares are listed on The Stock Exchange, Mumbai.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct as per the Guidelines issued by the Securities and Exchange Board of India for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Board of Directors and the designated employees have confirmed compliance with the code.

GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

1. Issue of equity shares with differential rights as to dividend, voting or otherwise
2. Issue of shares (including sweat equity shares) to employees of the company and ESOS under any scheme
3. The company does not have any subsidiaries and hence the disclosure stating that the Managing Director / whole Time Director of the Company not receiving any remuneration or commission for subsidiary is not applicable.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENTS:

Your Directors would like to express their gratitude to the Shareholders, vendors, bankers and customers for their support and co-operation. They wish to thank all the employees of the Company for their sincere and dedicated services.

For and on behalf of the Board of Directors

Chennai
May 22, 2015

LALCHAND MUNOTH
CHAIRMAN



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ANNEXURE 1

Nomination and Remuneration Policy

The Remuneration/Compensation Committee of Munoth Financial Services Limited (“the Company”), consisting of three independent directors, was renamed as Nomination and Remuneration Committee by the Board at its meeting held on March 31, 2015

1. **OBJECTIVE** The Nomination and Remuneration Committee and this Policy are in compliance with Section 178 of the Companies Act, 2013 (“**The Act**”) read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

The key objectives of the Committee are:

- 1.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4 To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- 1.5 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and to assist the Board in fulfilling its responsibilities.

2. DEFINITIONS

- 2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 **Board** means Board of Directors of the Company.
- 2.3 **Directors** mean Directors of the Company.
- 2.4 **Key Managerial Personnel** means Chief Executive Officer or the Managing Director or the Manager; Whole-time director; Chief Financial Officer; Company Secretary; and such other officer as may be prescribed.
- 2.5 **Senior Management** means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. ROLE OF COMMITTEE

3.1 The role of the Committee inter alia will be the following:

- a. to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b. to recommend to the Board the appointment and removal of Senior Management
- c. to carry out evaluation of Director’s performance and recommend to the Board appointment / removal based on his / her performance.
- d. to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- e. to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an



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Executive Director as an employee of the Company subject to the provision of the law and their service contract;

- f. ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g. to devise a policy on Board diversity;
- h. to develop a succession plan for the Board and to regularly review the plan;

Policy for appointment and removal of Director, KMP and Senior Management

3.2 Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.3 Term / Tenure

- a) Managing Director/Whole-time Director : The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it shall be ensured that number of Boards on which such Independent Director serves is as may be prescribed under the Act and / or the Listing Agreement.

3.4 Evaluation The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

3.5 Removal Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.



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3.6 Retirement The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.7 Policy relating to the Remuneration for the Managing / Whole-time Director, KMP and Senior Management Personnel

The Remuneration Policy of the Company for managerial personnel is primarily based on the following:

- § Performance of the Company,
- § potential of individual and,
- § External competitive environment

General

- a. The remuneration/compensation/commission, etc., to the Managing / Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval at the time of appointment. The remuneration / compensation / commission etc. of the Managing / Whole Time Director shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b. The remuneration and commission to be paid to the Whole-time Directors shall be in accordance with the provisions of the Act.
- c. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which would be within the limits approved by the Shareholders in the case of Whole-time Directors and as per the Policy of the Company in case of others.
- d. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Managing / Whole-time Director, KMP and Senior Management Personnel

- a. **Fixed pay:** The Managing / Whole-time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- b. **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- c. **Provisions for excess remuneration:** If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under



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the Act or without appropriate approvals, the Committee shall recommend the due course of action to the Board as and when required.

Remuneration to Non- Executive / Independent Director

- a. **Remuneration / Commission:** The remuneration / commission shall be fixed as per the limits and conditions mentioned by the Company and the Act.
- b. **Sitting Fees:** The Non- Executive / Independent Director may receive Sitting fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed the amount as may be prescribed by the Central Government from time to time.
- c. **Commission:** Commission may be paid subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- d. **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

4. NOMINATION COMMITTEE FUNCTIONS:

The functions of the Committee in relation to nomination matters include:

- a. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b. Ensuring that on appointment to the Board, independent directors receive a formal letter of appointment in accordance with the guidelines provided under the Act;
- c. Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d. Determining the appropriate size, diversity and composition of the Board;
- e. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j. Recommend any necessary changes to the Board; and
- k. Considering any other matters, as may be requested by the Board.

5. REMUNERATION COMMITTEE FUNCTIONS

The function of the Committee in relation to remuneration matters include:

- a. to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.



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- b. to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
 - c. to delegate any of its powers to one or more of its members or the Secretary of the Committee.
 - d. to consider any other matters as may be requested by the Board.
 - e. Professional indemnity and liability insurance for Directors and senior management.
- 6. MEMBERSHIP** The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent. Minimum two members shall constitute a quorum for the Committee meeting. Membership of the Committee shall be disclosed in the Annual Report. Term of the Committee shall be continued unless terminated by the Board of Directors.
- 7. CHAIRPERSON** The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 8. FREQUENCY OF MEETINGS** The meeting of the Committee shall be held at such regular intervals as may be required.
- 9. OTHERS**
- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
 - b. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairman of the meeting will have a casting vote.
 - c. The Company Secretary of the Company shall act as Secretary of the Committee.
 - d. Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.



MUNOTH FINANCIAL SERVICES LIMITED

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L65991TN1990PLC019836
ii	Registration Date	1/11/1990
iii	Name of the Company	MUNOTH FINANCIAL SERVICES LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
v	Address of the Registered office & contact details	SUITE NO. 46 & 47, MUNOTH CENTRE 343, TRIPPLICANE HIGH ROAD, TRIPPLICANE, CHENNAI - 600005, PH -914428591185 Email: cs@munothfinancial.com
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	CAMEO CORPORATE SERVICES LIMITED, 1, CLUB HOUSE ROAD, CHENNAI - 600002

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total revenue/turnover of the company (Approx)
		class(Sub class)	
1	Management of Other Investment Funds	6630(66309)	45%
2	Security and Commodity Contracts brokerage	6612(66120)	35%
3	Activities auxiliary to financial services activity nec	6619(66190)	20%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLI CABLE SECTION

The Company Munoth NEG Wind Form Pvt Ltd Ceased to be associate during the financial year 2014-15



MUNOTH FINANCIAL SERVICES LIMITED

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2830700	0	2830700	55.12	2917500	139600	3057100	59.53	4.41
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	33100	0	33100	0.65	33100	0	33100	0.65	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	2863800	0	2863800	55.77	2950600	139600	3090200	60.18	4.41
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2863800	0	2863800	55.77	2950600	139600	3090200	60.18	4.41
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	225000	225000	4.38	0	225000	225000	4.38	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	0	225000	225000	4.38	0	225000	225000	4.38	0



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IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
<i>a) Bodies corporates</i>									
<i>i) Indian</i>	1066130	7700	1073830	20.9	1315325	7700	1323025	25.76	4.86
<i>ii) Overseas</i>	0	0	0	0	0	0	0	0	0
<i>b) Individuals</i>									
<i>i) Individual shareholders holding nominal share capital upto Rs.1 lakhs</i>	56892	901125	958017	18.66	57999	424925	482924	9.4	-9.26
<i>ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs</i>	0	11700	11700	0.23	0	11700	11700	0.23	0
<i>c) Others (specify)</i>									
<i>HUF</i>	2953	0	2953	0.06	2451	0	2451	0.05	-0.01
SUB TOTAL (B)(2):	1125975	920525	2046500	39.85	1375775	444325	1820100	35.44	-4.41
Total Public Shareholding (B)= (B)(1)+(B)(2)	1125975	1145525	2271500	44.23	1375775	669325	2045100	39.82	-4.41
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3989775	1145525	5135300	100	4326375	808925	5135300	100	0



MUNOTH FINANCIAL SERVICES LIMITED

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding 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 shares	% of pledged encumbered to total shares	
1	JASWANT MUNOTH	620200	12.08	0	713400	13.89	0	1.81
2	BHARAT MUNOTH	572900	11.16	0	619300	12.06	0	0.905
3	LEELADEVI MUNOTH	155000	3.02	0	155000	3.02	0	0.00
4	VIKAS MUNOTH	905300	17.63	0	905300	17.63	0	0.00
5	VIJAYALAKSHMI MUNOTH	15200	0.30	0	15200	0.30	0	0.00
6	LALCHAND MUNOTH	562100	10.95	0	648900	12.64	0	1.695
7	MUNOTH INDUSTRIES LIMITED	9700	0.19	0	9700	0.19	0	0.00
8	SOUTHINDIA CHEMICALS & LEASING (P) LTD	6600	0.13	0	6600	0.13	0	0.00
9	MAHARANA FINANCE & INVESTMENTS(P) LTD	13600	0.26	0	13600	0.26	0	0.00
10	MUNOTH BIOSCIENCE LIMITED	3200	0.06	0	3200	0.06	0	0.00
	Total	2863800	55.77	0.00	3090200	60.18	0.00	4.41



MUNOTH FINANCIAL SERVICES LIMITED

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	JASWANT MUNOTH At the beginning of the year 01/04/2014 TRANSFER 31/03/2015 At the end of the year 31/03/2015	620200 93200 713400	12.08 1.81 13.89	620200 713400 713400	12.08 13.89 13.89
2	BHARAT MUNOTH At the beginning of the year 01/04/2014 TRANSFER 31/03/2015 At the end of the year 31/03/2015	572900 46400 619300	11.16 0.90 12.06	572900 619300 619300	11.16 12.06 12.06
3	LEELADEVI MUNOTH At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	No change during the year 155000 155000	3.02 3.02	155000 155000	3.02 3.02
4	VIKAS MUNOTH At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	No change during the year 905300 905300	17.63 17.63	905300 905300	17.63 17.63
5	VIJAYALAKSHMI MUNOTH At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	No change during the year 15200 15200	0.30 0.30	15200 15200	0.30 0.30
6	LALCHAND MUNOTH At the beginning of the year 01/04/2014 TRANSFER 18/03/2015 At the end of the year 31/03/2015	562100 86800 648900	10.95 1.69 12.64	562100 648900 648900	10.95 12.64 12.64
7	MUNOTH INDUSTRIES LIMITED At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	No change during the year 9700 9700	0.19 0.19	9700 9700	0.19 0.19
8	SOUTHINDIA CHEMICALS & LEASING (P) LTD At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	No change during the year 6600 6600	0.13 0.13	6600 6600	0.13 0.13
9	MAHARANA FINANCE & INVESTMENTS(P) LTD At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	No change during the year 13600 13600	0.26 0.26	13600 13600	0.26 0.26
10	MUNOTH BIOSCIENCE LIMITED At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	No change during the year 3200 3200	0.06 0.06	3200 3200	0.06 0.06



MUNOTH FINANCIAL SERVICES LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end 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
1	MUNOTH COMMUNICATION LIMITED At the beginning of the year 01/04/2014 TRANSFER 21/10/2014 TRANSFER 13/12/2014 At the end of the year 31/03/2015	1006300 228800 21000 1256100	19.60 4.46 0.41 24.46	1006300 1235100 1256100 1256100	19.60 24.05 24.46 24.46
2	PRIORY INVESTMENTS (MAURITIUS) LIMITED At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	225000 225000	4.38 4.38	225000 225000	4.38 4.38
3	MISRIMAL NAVAJEE ESTATES P LTD At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	30800 30800	0.60 0.60	30800 30800	0.60 0.60
4	G-TECH STONE LIMITED At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	24800 24800	0.48 0.48	24800 24800	0.48 0.48
5	RAVINDRAN G At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	11700 11700	0.23 0.23	11700 11700	0.23 0.23
6	NUTECH FINANCIAL SERVICES LIMITED At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	7200 7200	0.14 0.14	7200 7200	0.14 0.14
7	RAMU A At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	4700 4700	0.09 0.09	4700 4700	0.09 0.09
8	JAGANATHAN N At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	4400 4400	0.09 0.09	4400 4400	0.09 0.09
9	VIJAYA J At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	4400 4400	0.09 0.09	4400 4400	0.09 0.09
10	SELVARAJ K At the beginning of the year 01/04/2014 At the end of the year 31/03/2015	4000 4000	0.08 0.08	4000 4000	0.08 0.08



MUNOTH FINANCIAL SERVICES LIMITED

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end 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
1	JASWANT MUNOTH				
	At the beginning of the year 01/04/2014	620200	12.08	620200	12.08
	TRANSFER 31/03/2015	93200	1.81	713400	13.89
	At the end of the year 31/03/2015	713400	13.89	713400	13.89
2	BHARAT MUNOTH				
	At the beginning of the year 01/04/2014	572900	11.16	572900	11.16
	TRANSFER 31/03/2015	46400	0.90	619300	12.06
	At the end of the year 31/03/2015	619300	12.06	619300	12.06
3	VIKAS MUNOTH				
	At the beginning of the year 01/04/2014	905300	17.63	905300	17.63
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2015	905300	17.63	905300	17.63
4	LALCHAND MUNOTH				
	At the beginning of the year 01/04/2014	562100	10.95	562100	10.95
	TRANSFER 18/03/2015	86800	1.69	648900	12.64
	At the end of the year 31/03/2015	648900	12.64	648900	12.64
5	JAYANTILAL JAIN M				
	At the beginning of the year 01/04/2014	1000	0.02	1000	0.02
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2015	1000	0.02	1000	0.02
6	TANSRI RAJANDRAM				
	At the beginning of the year 01/04/2014	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2015	0	0.00	0	0.00
7	MAH SAU CHEONG				
	At the beginning of the year 01/04/2014	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2015	0	0.00	0	0.00
8	AJIT KUMBHAT				
	At the beginning of the year 01/04/2014	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2015	0	0.00	0	0.00
9	A G NANDINI - COMPANY SECRETARY (kmp)				
	At the beginning of the year 01/04/2014	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2015	0	0.00	0	0.00



MUNOTH FINANCIAL SERVICES LIMITED

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
<i>i) Principal Amount</i>	16056920	3500000	0	19556920
<i>ii) Interest due but not paid</i>	0	145051	0	145051
<i>iii) Interest accrued but not due</i>	0	0	0	0
Total (i+ii+iii)	16056920	3645051	0	19701971
Change in Indebtedness during the financial year				
<i>Additions</i>	0	11200000	0	
<i>Reduction</i>	12948305	0	0	
Net Change	-12948305	11200000	0	
Indebtedness at the end of the financial year				
<i>i) Principal Amount</i>	3108615	14700000	0	17808615
<i>ii) Interest due but not paid</i>	0	816848	0	816848
<i>iii) Interest accrued but not due</i>	0	0	0	0
Total (i+ii+iii)	3108615	15516848	0	18625463

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross salary	<i>Mr. Jaswant Munoth (MD)</i>	
	<i>(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.</i>	15,00,000	15,00,000
	<i>(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961</i>	0	0
	<i>(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961</i>	0	0
2	<i>Stock option</i>	NA	NA
3	<i>Sweat Equity</i>	NA	NA
4	<i>Commission</i>	NA	NA
	<i>as % of profit</i>		
	<i>others (specify)</i>		
5	<i>Others, please specify</i>	NA	NA
	Total (A)	15,00,000	15,00,000
	Ceiling as per the Act	<i>with in overall ceiling as mentioned in Section II of Part II of Schedule V of Act</i>	



MUNOTH FINANCIAL SERVICES LIMITED

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	<i>Independent Directors</i>		
	(a) Fee for attending board committee meetings	NA	NA
	(b) Commission		
	(c) Others, please specify		
	Total (1)	NA	NA
2	<i>Other Non Executive Directors</i>		
	(a) Fee for attending board committee meetings	NA	NA
	(b) Commission		
	(c) Others, please specify.		
	Total (2)	NA	NA
	Total (B)=(1+2)		
	Total Managerial Remuneration	NA	NA
	Overall Cieling as per the Act.	<i>with in overall ceiling as mentioned in Section II of Part II of Schedule V of Act</i>	

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO & WTD	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	651900	0	651900
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	as % of profit			
	others, specify			
5	Others, please specify	0	0	0
	Total	651900	0	651900



MUNOTH FINANCIAL SERVICES LIMITED

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)
A. COMPANY					
<i>Penalty</i>	NA	NA	NA	NA	NA
<i>Punishment</i>	NA	NA	NA	NA	NA
<i>Compounding</i>	NA	NA	NA	NA	NA
B. DIRECTORS					
<i>Penalty</i>	NA	NA	NA	NA	NA
<i>Punishment</i>	NA	NA	NA	NA	NA
<i>Compounding</i>	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
<i>Penalty</i>	NA	NA	NA	NA	NA
<i>Punishment</i>	NA	NA	NA	NA	NA
<i>Compounding</i>	NA	NA	NA	NA	NA



ANNEXURE 3

MANAGEMENT DISCUSSION AND ANALYSIS (MD &A)

Industry Structure and developments:

The Indian stock market turned out to be among the world's best performers in 2014 with the Bombay Stock Exchange (BSE) Sensex rising 29% from 21,140 on January 1 to 27,312 on December 19. Most market players believe this stellar run will continue in 2015 on the back of reforms, strong foreign fund inflows, revival of manufacturing, improvement in the macro-economic situation and rise in corporate earnings growth. The benchmark indices, BSE Sensex and Nifty showed a general upward trend in the year 2014, closing at 27,499 and 8283 respectively as on 31 December 2014 with corresponding growth rates of 29.9 and 31.4 per cent, year on year.

Opportunities & Threats

SEBI has undertaken a number of policy initiatives for the development of both primary and secondary markets during the year which includes

- the framework for stock exchanges to launch cash-settled interest-rate futures on ten-year government securities
- Allowing FPIs to trade in currency derivatives subject to terms and conditions.
- Enabling a single consolidated view of all the investments of an investor in mutual funds and securities held in demat form with the depositories.
- Permitting single registration for stock brokers/clearing members and granting single registration for operating with both the depositories
- Provide for sharing of KYC (know your customer) information with other regulators.
- Permitting small and medium enterprises, including start-up companies, to list on the SME exchange without being required to make an IPO

The main threat to Financial markets is that its sensitiveness towards global stock market performance

Segment- wise product performance

The Company's business activities are all related to capital market segment and can be considered as single segment company

Risks, Concerns and outlook

Top priorities in risk management will be aggregation of risk across the trade lifecycle, investment in analytics, and strengthening an ethical, risk-minded culture. As Company pursue these objectives, they may want to consider investing with an eye toward critical issues such as cyber risk and risk data & Integrating risk management and ethical goals into compensation .

In a shifting environment dominated by tighter capital and liquidity constraints and the prospect of changing monetary policy, the company should consider Developing versatile operating models that allow them to quickly scale in growth areas, Building a pipeline for talent to seize expertise-driven opportunities and finding new areas for growth by looking to ease clients' difficulties.



MUNOTH FINANCIAL SERVICES LIMITED

Adequacy of Internal Controls:

The Company follows an extensive internal control system to ensure that prudential business policies are followed regularly in managing existing clientele and developing new business contacts. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

The Audit Committee reviews the adequacy of internal control system on regular basis

Financial Performance:

During the financial year 2014-15, the Company's total revenue has increased to Rs. 153.56 lakhs compared to Rs. 121.67 lakhs in the previous year. The total income from operations has increased to Rs. 145.01 lakhs compared to Rs. 104.13 lakhs in the previous year. The Company was able to reduce losses to Rs. 6.69 lakhs as against Rs. 14.07 lakhs in the previous year. Income from stock broking operations has increased from Rs. 26.90 lakhs in the previous year to Rs. 52.15 lakhs in the current year. The broking turnover of the company in cash segment is Rs. 184.78 crores compared to Rs. 188.69 crores in the last financial year and in F & O segment is Rs.2926.61 crores compared to Rs. 501.10 crores in the last financial year.

Human Resource Development:

The Company has a team of able and experienced professionals and the Company considers that the main strength is its human resources, who create a climate to suit its growth and excellence.

Cautionary Statement

Statements in the Management Discussion and Analysis regarding the Company's objectives, estimates and expectations are within the scope of applicable laws and regulations. Actual performance might differ from those either expressed or implied.

Chennai
May 22 , 2015

By order of the Board

Mr. Lalchand Munoth
Chairman



MUNOTH FINANCIAL SERVICES LIMITED

ANNEXURE 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

To,
The Members,
Munoth Financial Services Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MUNOTH FINANCIAL SERVICES LIMITED .(hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ("the Company") for the financial year ended on March 31, 2015 according to the provisions of:

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



MUNOTH FINANCIAL SERVICES LIMITED

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE

I further report that , based on the information provided by the company, its officers and authorised representatives during the conduct of audit, and also on review of quarterly compliance reports submitted by the officers/ Company Secretary, in my opinion, adequate systems and processes and control mechanism exists in the Company to monitor and ensure compliance with other applicable laws such as labour laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations mentioned below:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The Company, in order to comply with the requirement of Clause 49(II) (A) (1) of Listing Agreement, regarding appointment of woman director has sent an invitation letter to Ms. Lakshika Mehta to join the Board of Company on March 2, 2015. Ms. Lakshika Mehta has also sent a letter dated March 16, 2015 accepting the invitation to join the board. The Board has proposed to appoint Ms. Lakshika Mehta as an additional Director in terms of Section 161 of the Companies act, 2013 in the category of Independent Director in the board meeting to be held on May 22, 2015.

There are no changes in the composition the Board of Directors that took place during the period under review Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



MUNOTH FINANCIAL SERVICES LIMITED

I further report that during the audit period the company has not issued /carried out

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

I further report that during the audit period, there were no other specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, having a major bearing on the Company's affairs.

Place : Chennai :
Date : 22/05/2015

Name of Company Secretary in practice :

V CHANDRAMOWLI
FCS No. 902
C P No.:144



MUNOTH FINANCIAL SERVICES LIMITED

Annexure 5

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.) NA

Sl. No.	Particulars	Details
1.	Name of the subsidiary	
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.



MUNOTH FINANCIAL SERVICES LIMITED

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures NA

The Company does not have any Subsidiary or Joint venture Company. The Company Munoth Neg Wind Farm(P) Ltd. ceased to be the associate during the financial year 2014-15.

Name of associates/Joint Ventures			
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations. - NIL

2. Names of associates or joint ventures which have been liquidated or sold during the year. - NIL

As per our report of even date attached

For MARDIA & ASSOCIATES

Chartered Accountants
Firm Reg No: 007888S

(MANISH MARDIA)

Proprietor
M. No 205307

PLACE : CHENNAI
DATE : 22/05/2015

For and on behalf of the Board of Directors

LALCHAND MUNOTH
Chairman

JASWANT MUNOTH
Managing Director & CEO

BHARAT MUNOTH
Director

VIKAS MUNOTH
Whole Time Director & CFO

A. G. NANDINI
Company Secretary



MUNOTH FINANCIAL SERVICES LIMITED

ANNEXURE 6

FORM NO. AOC -2

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis. NIL

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

By order of the Board

Place : Chennai
Date : 22/05/2015

Mr. Lalchand Munoth
Chairman



MUNOTH FINANCIAL SERVICES LIMITED

ANNEXURE 7

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Lalchand Munoth NA Mr. Jaswant Munoth- 7.15 Mr. Bharat Munoth NA Mr. Vikas Munoth NA Tansri Rajandram NA Mr. Mah Sau Cheong NA Mr. Ajit Kumbhat NA Mr. M Jayantilal Jain NA
(ii)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Lalchand Munoth: NA Mr. Jaswant Munoth: No Increase Mr. Bharat Munoth: NA Mr. Vikas Munoth: NA Tansri Rajandram: NA Mr. Mah Sau Cheong: NA Mr. Ajit Kumbhat: NA Mr. M Jayantilal Jain: NA Ms. A G Nandini: No Increase
(iii)	the percentage increase in the median remuneration of employees in the financial year	0.06%
(iv)	the number of permanent employees on the rolls of company	15
(v)	the explanation on the relationship between average increase in remuneration and company performance	There is no increase in remuneration except for increase paid to employees due to additional responsibilities/promotion
(vi)	comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Remuneration of Key Managerial Personnel: 21.51 Lakhs. Net loss of the Company for the year Rs. 6.69 Lakhs
(vii)	variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	The market capitalisation as on 30/01/2015 LTP was Rs. 530.47Lacs (last year as on 26/03/2014 LTP was Rs. 537.15 Lacs) NA The Company had come out with the Initial Public Offer (IPO) in June 1996 is at Rs. 10/- per share, As on 30/01/2015 (LTP), the market price per share is Rs.10.33/- per share
(viii)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the	No increase in Managerial Remuneration



MUNOTH FINANCIAL SERVICES LIMITED

	managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	
(ix)	comparison of the each remuneration of the Key Managerial Personnel against the Performance of the company	Mr. Jaswant Munoth - 15 Lakhs p a A G Nandini -6.51 Lakhs p.a
(x)	the key parameters for any variable component of remuneration availed by the directors	No variable component of remuneration availed by directors
(xi)	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	NA
(xii)	affirmation that the remuneration is as per the remuneration policy of the company	It is affirmed that the remuneration is as per the remuneration policy of the Company.

Details of the employees of the Company pursuant to section 197 (Rule 5) of the Companies act 2013

The Company does not have employee who is drawing more than Rs. 60 Lakhs per annum during the year.



MUNOTH FINANCIAL SERVICES LIMITED

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-2015

(as required under Clause 49 of the Listing Agreement entered into with stock exchanges)

A MANDATORY REQUIREMENTS:

1. Company's Philosophy on code of corporate Governance

Munoth Financial Services Limited (MFSL)'s philosophy in relation to Corporate Governance is to uphold the core values of transparency, integrity and accountability in all facets of its operations and maintain the highest standards of corporate Governance in its conduct towards the shareholders, customers and the Government. MFSL believes that good corporate Governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the goal of maximizing value to its stakeholders.

2. Board of Directors

2.1 Composition of Board

The Board consists of four Executive Directors and four Non Executive Directors and all the four non executive directors are independent. Key Managerial Personnel:

Mr. Jaswant Munoth, the Managing Director is also the Chief Executive Officer , Mr. Vikas Munoth, the Whole Time Director is also the Chief Financial Officer and Ms. A G Nandini is the Company Secretary of the Company.

2.2 Non Executive Director's Disclosure and Pecuniary relationship

The Company does not have any pecuniary relationship or had any transaction with the non-executive directors during the Financial year other than Mr. M Jayantilal Jain, who holds 1000 shares of the Company, no other non- executive directors have shares held in their name as on March 31, 2015 and no non executive directors had shares held by/for other persons on a beneficial basis as on March 31, 2015 . The Company has not issued any convertible instruments or stock option to any director or employee of the company or any other person

2.3 Board Procedures

During the year 2014-15, the board of directors met five times on the following dates May 20, 2014, July 30, 2014, October 30, 2014 ,January 19, 2015 and March 31, 2015 and the dates of the meetings were decided well in advance.

2.4 Information Supplied to the Board

The board is presented with all the relevant information well in advance before each meeting on various matters affecting the working of the company and the Directors have separate and independent access to senior management at all times. In addition to items which are required to be placed before the board for its noting and/or approval under the statutes or regulations, information is also provided for the periodic review/information on various items, such as:

- Financial performance and operations
- Quarterly Financial results
- Minutes of meetings of audit committee and other committees of the Board
- Staff matters, including senior appointments and extensions
- Legal proceedings by or against the company
- Legal compliance reports



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- Share transfer and demat compliance
- Donations and other significant matters
- Significant Labour matters and human resource issues

2.5 Outside directorships and committee positions:

Table showing the number of outside directorships and committee positions held by the directors are given below with the details of attendance of each director at the board meetings and the last AGM.

Name of Director	Attendance		Directorships (Private Cos excluded)		Chairman / Member of Committees of Listed Companies
	Board Meeting	AGM	Listed Cos	Unlisted Public Companies	
Mr. Lalchand Munoth (Chairman)	5	yes	1	2	1
Mr. Jaswant Munoth (Managing Director & CEO)	5	yes	1	2	2
Mr. Bharat Munoth (Director)	5	yes	1	2	1
Mr. Vikas Munoth (Whole Time Director & CFO)	5	yes	1	1	-
Mr. Mah Sau Cheong	1	No	-	-	-
Tansri Rajandram	1	No	-	-	-
Mr. M Jayantilal Jain	5	yes	1	-	3
Mr. Ajit Kumbhat	5	yes	1	1	3

Notes:

Only audit committee, remuneration Committee and shareholders' grievance committee are considered for the purpose of committee positions as per listing agreement. None of the directors was a member in more than ten committees, nor a chairman in more than five committees across all companies in which he was a director. No sitting fees was paid to any Director during the financial year.

2.6 The brief background, functional experience of the Director's seeking reappointment is given below.

Re appointment of Directors retiring by rotation

Pursuant to Section 152 of the Companies Act, 2013, Mr. Lalchand Munoth, Mr. Bharat Munoth and Mr. Jaswant Munoth retire by rotation and being eligible offers themselves for reappointment

Re appointment of Mr Jaswant Munoth, as Managing Director

At the Board meeting held on May 22, 2015, Mr. Jaswant Munoth was appointed as Managing Director of the Company for the period of 2 years from 25/06/2015 to 24/06/2017 subject to the approval of shareholders at the ensuing Annual General Meeting.



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Information pursuant to Clause 49 VIII (E) of the Listing Agreement

1. Brief resume of Mr. Jaswant Munoth and nature of his expertise in specific functional areas:

Mr. Jaswant Munoth, aged 50 years (Date of Birth : 14/07/1965) holds a Bachelor Degree in Commerce from University of Madras with a Masters Degree in Business Administration. He has extensive 28 years of experience and knowledge in the field of Capital Markets. He is the Managing Director of the company since its inception on 1990. He has managed and steered the company through the adverse market conditions prevailed in the financial sector. He heads Merchant Banking and Portfolio Management Division of the Company. Under his leadership the Merchant Banking division has Lead managed 47 IPOs. He has worked with other leading merchant Bankers in 65 other IPO's under various other capacities. He also heads Portfolio Management Services since its inception in 1999 and manages portfolio of clients.

He is also the Managing Director of Munoth Communication Limited and director of Munoth Industries Limited, Munoth NEG Windfarm Private Limited, Misrimal Navajee Estates Private Limited, Maharana Finance & Investments P Limited, Shankeswara Finance & Investments P Limited, South India Chemicals & Leasing P Limited and Munoth Bioscience Limited.

As on March 31, 2015, his shareholding in the Company is 713400 shares and has no shares held by/for other persons on a beneficial basis.

Disclosure of relationships between directors inter-se: Mr. Lalchand Munoth is the father of Mr. Jaswant Munoth and Mr. Bharat Munoth & Mr. Vikas Munoth are brothers of Mr. Jaswant Munoth

2. Brief resume of Mr. Lalchand Munoth and nature of his expertise in specific areas.

Mr. Lalchand Munoth is retiring by rotation at his Annual General Meeting and being eligible offers himself for reappointment. Mr. Lalchand Munoth, aged 76 years (DOB: 16/01/1939) holds a Bachelor Degree in Arts from the Mysore University. He is a senior member of the board and a guiding figure for the Munoth Team. His stature in the industry and array of corporate relationships are valuable for the Company. He is the architect behind several successful finance & investment companies and has vast experience in the finance field. He is the director of the Company since 1990. He is also director of Munoth Communication Limited, Misrimal Navajee Estates Private Limited, Munoth Industries Limited, Munoth Bioscience Limited and South India Chemicals and Leasing Private Limited.

As on March 31, 2015, his shareholding in the Company is 648900 shares and has no shares held by/for other persons on a beneficial basis.

Disclosure of relationships between directors inter-se: Mr. Lalchand Munoth is the father of Mr. Jaswant Munoth ,Mr. Bharat Munoth & Mr. Vikas Munoth .

3. Brief resume of Mr. Bharat Munoth and nature of his expertise in specific areas.

Mr. Bharat Munoth is retiring by rotation at this Annual General Meeting and being eligible offers himself of reappointment. Mr. Bharat Munoth, aged 44 years (DOB:02/03/1970) is a commerce graduate and he has extensive knowledge and experience in the field of finance and investments. He is the director of the company since 1992. He is also the director of Munoth Communication Limited, Munoth Industries Limited, Munoth Bioscience Limited, South India chemicals and Leasing Private Limited, Maharana Finance and Investments Private Limited and Shankeswar Finance and Investments Private Limited.



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As on March 31, 2015, his shareholding in the Company is 619300 shares and has no shares held by/for other persons on a beneficial basis.

Disclosure of relationships between directors inter-se: Mr. Lalchand Munoth is the father of Mr. Bharat Munoth and Mr. Jaswant Munoth & Mr. Vikas Munoth are brothers of Mr. Bharat Munoth.

4. Brief resume of Ms. Lakshika Mehta and nature of her expertise in specific areas.

The board of Directors on their meeting held on May 22, 2015 has appointed Ms. Lakshika Mehta as additional Director in terms of Section 161 of the Companies act, 2013 in the category of Independent Director. She is proposed to be appointed as independent director for the period of 5 years with effect from 23/09/2015 to 22/09/2020 subject to the approval of shareholders.

Ms. Lakshika Mehta DIN NO:07183815, aged 26 years is a commerce graduate and a member of Institute of Chartered Accountants of India. She has worked as a part articleship with Ernst & Young She has also worked under Deloitte Haskins & Sons and has handled various assignments including Risk Advisory & Consulting Services as a field senior. She is working as Specialist - Local Statutory Reporting at Shell India Market Pvt Limited. She is also Director of Munoth Communication Limited.

She does not hold any shares in the company and there is no relationship between directors inter-se .

2.7 Code of Conduct

The Board has laid down a code of conduct for all Board members and senior management of the Company and the Annual Report of the Company contains a declaration to this effect signed by the CEO and CFO.

2.8 Legal Compliance Reporting

As required under Clause 49 of the Listing Agreement, the Board periodically reviews compliances of various laws applicable to the Company.

3. Audit committee

3.1 Brief Description of terms of reference

The terms of reference of the audit committee are extensive and include all that is mandated in Clause 49 of the listing agreement. Apart from overseeing and monitoring the financial reporting system within the company and considering un-audited and audited financial results for the relevant quarter and the year as the case may be, before being adopted by the board, the audit committee focused its attention on topics, such as:

- Review of annual revenue and capital budgets
- Annual internal audit plan
- Legal compliance reporting system
- Disclosure of Related party transactions of a material nature and subsequent modifications, if any
- Presentation of consolidated financial statement
- Review of internal control and risk management with emphasis in reviewing



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- internal audit function, analysis and discussion on internal audit reports
- Vigil mechanism and adequacy of internal control systems
- Risk management policies especially enterprise level risk management
- Review of Audit methodology and process, recommendation of appointment, remuneration and terms of appointment of statutory auditors, other services rendered by the statutory auditors
- Scrutiny of inter-corporate loans and advances
- Major accounting policies and practices
- Compliance with accounting standards.
- Review of management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports.

3.2 Composition, Meetings and Details of attendance

The company has been reviewing and making appropriate changes in the composition and working of the committee from time to time to bring about greater effectiveness and to comply with various requirements under the Companies Act, 2013 as well as Clause 49 of the listing agreement.

Five Audit Committee meetings were held on the following dates: May 20, 2014, July 30, 2014, October 30, 2014 and January 19, 2015 and March 31, 2015 Details of Members and their attendance is given below

Name of the Director	Status	No. of Meetings attended
Mr. Ajit Kumbhat	Chairman	5
Mr. M Jayantilal Jain	Member	5
Mr. Mah Sau Cheong	Member	1

All members of the audit committee are independent, non-executive directors. Mr. Ajit Kumbhat, the Chairman of the Audit Committee attended the last Annual General Meeting of the Company

The committee also continued to advise the management on areas where greater internal audit focus was needed, and on new areas to be taken up for audit purposes.

4. Nomination & Remuneration Committee

The Remuneration Committee comprises of three independent, non-executive Directors viz. Mr. M Jayantilal Jain (Chairman), Mr. Ajit Kumbhat and Tansri Rajandram to review or recommend the remuneration paid to Executive Directors. The committee is vested with all necessary powers and authority to determine and recommend the remuneration payable to Executive Directors. There was one meeting held during the financial year on March 31, 2015

Name of the Director	Status	No. of Meetings attended
Mr. M Jayantilal Jain	Chairman	1
Mr. Ajit Kumbhat	Member	1
Tansri Rajandram	Member	Nil

The terms of reference / role of the committee includes:

1. Formulation of the criteria for determining qualification, positive attributes and independence



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of a Director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees

2. Formulation of criteria for evaluation of Independent Directors and the Board
3. Devising a policy on Board Diversity
4. Identifying persons who are qualified to become directors, KMP and senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

4.1 Remuneration Policy

Non-Executive Independent Directors:

No remuneration including sitting fees is being paid to the non executive directors for the financial year

Executive Directors

The remuneration paid to Managing Director for the year ended 31.03.2015 is as follows:

	Rs.
Salary and perquisites	15,00,000
Total	<u>15,00,000/-</u>

The Company does not have any pecuniary relationship or had any other transaction with the non-executive directors during the Financial year other than Mr. M Jayantilal Jain, who holds 1000 shares of the Company, no other non-executive directors have shares held in their name as on March 31, 2015 and no non executive directors had shares held by/for other persons on a beneficial basis as on March 31, 2015. The Company has not issued any convertible instruments or stock option to any director or employee of the company or any other person

5. Shareholders' relationship committee

Pursuant to Companies Act 2013, the Board of Directors had reconstituted Shareholders'/ Investor Grievance Committee with the new name Shareholders relationship committee. The committee specifically looks into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report etc. In addition, the committee also oversees the share transfers and transmission.

5.1 Composition and the process of share transfer

The Committee comprises of Mr. M Jayantilal Jain (Chairman), Mr. Jaswant Munoth (Managing Director), Mr. Ajit Kumbhat and Tansri Rajandram. The Company Secretary of the Company has been designated as the Compliance Officer.

The process of share transfers is assigned to Cameo Corporate Services Limited, the Registrars & Share Transfer Agent, for the Company, who take care of the share transfer formalities on an ongoing basis.

The total number of shareholder complaints received during the financial year was nil and there are no share transfer pending as on March 31, 2015.



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5.2 Meetings, attendance and topics discussed

The committee met 5 times on the following dates: July 30, 2014, September 30, 2014, December 10, 2014, March 10, 2015 and March 31, 2015 to review the status of investors' services rendered.

Name of the Director	Status	No of Meetings attended:
Mr. M Jayantilal Jain	Chairman	5
Mr. Ajit Kumbhat	Member	5
Mr. Jaswant Munoth	Member	5
Tansri Rajendram	Member	Nil

The company secretary (who is the compliance officer for looking into shareholders' grievances on a day-to-day basis), was also present. The committee focused its attention on various topics, such as

- Complaints of investors routed by SEBI/Stock Exchanges
- Transfer, transmission, dematerialisation and rematerialisation of shares
- Investors' queries and complaints regarding transfer, annual reports, etc
- New share certificates with the changed corporate identity.
- Monitor implementation of the Company's code of conduct for prohibition of insider trading.
- Monitor and redressal of investor/shareholder grievances.

6. Risk Management Committee:

Pursuant to Section 134 (3)(n) of the Companies Act, 2013 & Clause 49 of the Listing Agreement, the Company has constituted Risk Management Committee:

The risk Management Committee comprises of Mr. Jaswant Munoth – Managing Director, Mr. Vikas Munoth – Whole Time Director, Mr. Bharat Munoth – Director and Mr. Ajit Kumbhat - Independent Director.

The Management identifies and monitors the risk and takes proper action to minimize the risk. The Committee will meet as and when situation arises and it is an ongoing process within the Company.

The Risk Management Committee will go into various matters involving transactions of the Company in assessing various issues and recommend procedure and framework in terms of the Clause 49 of the Listing Agreement in relation to

- *position of collection of outstanding from clients,
- *borrowings from bankers by analyzing need and interest charged,
- *capital outlay/ expansion of the company's activities,
- * statutory obligations, compliance and legal issues, if any,
- * review of internal control etc.

The company has not identified any element of risk which may threaten the existence of the company.



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7. General Body Meetings:

The details of the last three Annual General Meetings are as under:

year	Location	Date	Time
2011-2012	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	31 st August 2012	10.25 A M
2012-2013	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	14 th August 2013	10:30 A M
2013-2014	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	20 th September 2014	10.30 A M

There was no special resolution passed during the last financial year through postal ballot and there is no special resolution that is proposed to be conducted by postal ballot. But there were resolutions passed in the financial year 2011-12.

8. Disclosures:

- a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc, that may have potential conflict with the interests of the Company at large.

NIL

Related party transactions during the year have been disclosed as required under Accounting standard 18 issued by the Institute of Chartered Accountants of India. All related party transactions are negotiated on arm's length basis and are in the ordinary course of business which are intended to further the company's interest.

- b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to Capital Markets, during the last three years.

NIL

- c. Vigil Mechanism /Whistle Blower Policy has been adopted by the Company and employees are free to raise issues, if any pertaining to Company's operations and report them to Audit Committee. The Company hereby affirms that no Director/ employee has been denied access to the chairman of the Audit Committee and that no complaints were received during the year. The Vigil Mechanism/ Whistle Blower policy has been disclosed on the Company's website www.munothfinancial.com and circulated to all the Directors/ employees.
- d. In the preparation of the financial statements, the company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied have been set out in the Notes of the Accounts..
- e. Business risk evaluation and managing such risks is an ongoing process within the organisation. The Board is regularly briefed of risk assessed and the measures adopted by the Company to mitigate the risks.



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- f. The Company has complied with the mandatory requirements of revised Clause 49 of the Listing Agreement.

9. Means of Communication:

- *Quarterly Results : Quarterly results are published with in the time stipulated in the listing agreement. MFSL does not send half yearly report to each household of the shareholders.
- * Newspapers wherein results normally : The Trinity Mirror published Makkal Kural (Tamil Daily)
- *website of the Company : www.munothfinancial.com
- *Whether it also displays, official news releases and Presentations made to institutional Investors/ Analysis : Yes
- *Whether Management Discussion & Analysis (MD & A) report is a part of Annual Report: : Yes
- * Whether shareholder information Section forms part of the Annual Report : Yes

10. General Shareholder information:

1	Annual General Meeting	Wednesday, September 23, 2015 at 10:25 A M at Nahar Hall Desabandhu Plaza, I Floor, 47, Whites Road, Royapettah, Chennai - 600 014						
	b) Financial Calendar:	First Quarter Results: July Second Quarter Results: October Third Quarter Results: January Last Quarter Results and Annual Results within 60 days of the end of financial year						
	c) Dates of Book Closure	September 17, 2015 to September 23, 2015 (Both days inclusive)						
	d) Dividend Payment Date	Not applicable						
	e) Listing on Stock Exchanges and Stock Code	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 30%;"><i>Name</i></th> <th style="text-align: left; width: 40%;"><i>Address</i></th> <th style="text-align: left; width: 30%;"><i>code</i></th> </tr> </thead> <tbody> <tr> <td><i>The Stock Exchange, Mumbai</i></td> <td><i>Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 023</i></td> <td><i>511401</i></td> </tr> </tbody> </table> <p><i>Listing fees to BSE for the financial year 2015-2016 has been paid.</i></p>	<i>Name</i>	<i>Address</i>	<i>code</i>	<i>The Stock Exchange, Mumbai</i>	<i>Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 023</i>	<i>511401</i>
<i>Name</i>	<i>Address</i>	<i>code</i>						
<i>The Stock Exchange, Mumbai</i>	<i>Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 023</i>	<i>511401</i>						
	f) International Securities Identifiatiion Number (ISIN)	INE348D01019 (CDSL & NSDL)						



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g) Market Price data: (Bombay stock Exchange Limited, Mumbai)

Month	High	Low Price
14-Apr	10.7	10.7
14-May	11.2	11.2
14-Jun	11.7	11.12
14-Jul	10.8	9.27
14-Dec	11.39	9.5
15-Jan	10.33	10.33

- h) Registrar and Share Transfer Agents** Cameo Corporate Services Limited"Subramanian Building"1, Club House Road,Chennai – 600 002.
- i) Share Transfer System:** Trading in equity shares of the Company is permitted only in dematerialized form Share Transfers in physical form are registered and returned within 15 days form the date of receipt, if documents are in order in all respects by the Share Transfer Agents of the Company and the power to approve the transfer and transmission has been delegated by the board to the Share Transfer/ Investor Grievance Committee.
- j) Dematerialisation of shares:** As on 31st March 2015 84.24 % of the total shares of the Company have been dematerialised
- k) Outstanding GDR/Warrants and Convertible bonds, conversion date and likely impact on the equity.** There are no outstanding/warrants and convertible bonds as on March 31, 2015 and therefore there will be no consequential impact on equity
- l) Plant Locations:** As this a service industry, no need for any plant set up.
- m) Address for Correspondence:** The Company Secretary,Munoth Financial Services Limited,Suite No. 46& 47, Munoth Centre,343, Triplicane High Road,Chennai – 600 005.
- n) Details of use of public funds obtained in the last three years:** No funds have been raised from the public in the last three years
- o) Distribution of Shareholding as on March 31, 2015**

Shareholding of nominal value of	Shareholders		Shareholding		
	Rs. [1]	Number [2]	% to Total Nos. [3]	In Rs. [4]	% to Total Amount [5]
100-50000		1283	93.9926	3984590	7.7592
50001-100000		37	2.7106	308610	0.6009
100001-200000		17	1.2454	251480	0.4897
200001-300000		2	0.1465	43230	0.0841
300001-400000		6	0.4395	208090	0.4052
400001-500000		3	0.2197	135000	0.2628
500001-1000000		3	0.2197	235000	0.4576
1000000 AND ABOVE		14	1.0256	46187000	89.9402
TOTAL		1365	100.000	51353000	100.00



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p. Statement Showing Shareholding Pattern as on March 31, 2015

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(V)*100
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	6	3057100	2917500	59.53	59.53	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	4	33100	33100	0.64	0.64	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
(e-i)								
(e-ii)								
	Sub Total(A)(1)	10	3090200	2950600	60.18	60.18	0	0.00
2	Foreign							
a	"Individuals (Non-Residents Individuals/"Foreign Individuals)"	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
d-i								
d-ii								
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	10	3090200	2950600	60.18	60.18	0	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	1	225000	0	4.38	4.38	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
(h-i)								
(h-ii)								
	Sub-Total (B)(1)	1	225000	0	4.38	4.38	0	0.00



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Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage
B 2	Non-institutions							
(a)	Bodies Corporate	15	1323025	1315325	25.76	25.76	0	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1330	482924	57999	9.40	9.40	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1	11700	0	0.23	0.23	0	0.00
(c)	Any Other (specify)							
(c-i)	HUF	6	2451	2451	0.05	0.05	0	0.00
(c-ii)	Clearing Member				0.00	0.00	0.00	0.00
	Sub-Total (B)(2)	1352	1820100	1375775	35.44	35.44	0	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	1353	2045100	1375775	39.82	39.82	0	0.00
	TOTAL (A)+(B)	1363	5135300	4326375	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	0	0.00	0	0.00
2	Public	0	0	0	0	0.00	0	0
	Sub-Total (C)	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	1363	5135300	4326375		100.00	0	0.00

B. NON MANDATORY REQUIREMENTS:

1. Chairman of the Board:

The Company has a non executive promoter Chairman and chairman's office is maintained at the Company's expense.

The company has the separate posts of Chairman and CEO/MD.

2. Reporting of Internal Auditor:

The Internal Auditor reports to the Audit Committee

3. Audit qualifications:

Company made effort to move towards a regime of unqualified financial statements.

On behalf of the Board of Directors
For MUNOTH FINANCIAL SERVICES LIMITED

May 22, 2015
Chennai

Lalchand Munoth
Chairman



MUNOTH FINANCIAL SERVICES LIMITED

Annexure - I

Auditor's Certificate on Corporate Governance

To the Members of
Munoth Financial Services Limited, Chennai.

We have examined the compliance of conditions of Corporate Governance by Munoth Financial Services Limited, for the year ended on 31st March 2015, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.

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

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer and Shareholder/ Investors Grievance Committee.

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

For Mardia and Associates

Chartered Accountants

Firm Reg No: 007888S

Place : Chennai
Date : 22/05/2015

(MANISH MARDIA)
PROPRIETOR
M.No 205307



MUNOTH FINANCIAL SERVICES LIMITED

Annexure – II

CEO AND CFO CERTIFICATION

(Pursuant to Clause 49 of the Listing Agreement)

The Board of Directors,
Munoth Financial Services Limited,
343, Triplicane High Road,
Triplicane,
Chennai - 600 005.

Certificate by Chief Executive Officer and Chief Financial Officer

We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2015 and that to the best of our knowledge and belief, we hereby certify that

1. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading.
2. These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
3. That, there are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
5. We have informed the auditors and the audit committee that
 - There were no significant changes in internal control during the year
 - There were no significant changes in accounting policies during the year
 - There has been no instances of fraud.
6. We further declare that all Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the financial year.

Date: 22/05/2015
Place: Chennai

Vikas Munoth
Whole Time Director & CFO

Jaswant Munoth
Managing Director & CEO



MUNOTH FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of MUNOTH FINANCIAL SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MUNOTH FINANCIAL SERVICES LIMITED, which comprise the Balance Sheet as at March 31, 2015, 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's Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to 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 specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. 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 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 financial control 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, 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

Basis for Qualified Opinion

The company has not provided for a provision of Rs. 23,138,833/- being the diminution in the market value of Quoted Investments held by the Company.



MUNOTH FINANCIAL SERVICES LIMITED

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis of Qualified Opinion Paragraph, 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:

- i. In the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015;
- ii. In the case of the statement of profit and loss, of the loss for the year ended on that date; and
- iii. In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further 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 appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
 - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
 - f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014
 - (i) The Company has disclosed the impact of pending litigation on its financial position in its financial statements Refer Note No. 25 to its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company.

For Mardia & Associates
Chartered Accountants

Firm's registration number: 007888S

Place: Chennai
Date: 22.05.2015

(Manish Mardia)
Proprietor
Membership number: 205307



MUNOTH FINANCIAL SERVICES LIMITED

Annexure (referred to in paragraph 7) Our Report of even date to the members of MUNOTH FINANCIAL SERVICES LIMITED on the accounts of the company for the year ended 31st March, 2015

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act and accordingly the provisions of the clause(iii) of paragraph 3 of the Order are not applicable to the Company
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.
- (v) The Company has not accepted any deposits and accordingly the provisions of clause (v) of paragraph 3 of the Order are not applicable to the company
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company has generally been regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
(b) According to the information and explanations given to us the following are the details of disputed Income Tax dues with the authority concerned

(In Thousands)

<i>NAME OF THE STATUTORY DUES</i>	<i>FORUM WHERE DISPUTE IS PENDING</i>	<i>DISPUTED AMOUNT</i>
<i>Income Tax</i>	<i>Commissioner of Income Tax (Appeals)</i>	<i>58</i>

- (c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise
- (viii) As at 31st March, 2015, the Company has been registered for a period more than 5 years; and the Company does not have any accumulated loss at the end of the financial year



MUNOTH FINANCIAL SERVICES LIMITED

The Company has incurred cash losses of Rs. Nil in the current financial year and cash losses of 4.62 Lakhs in the immediately preceding financial year.

- (ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures during the year.
- (x) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year
- (xi) In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year
- (xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management

For Mardia & Associates

Chartered Accountants

Firm's registration number: 007888S

(Manish Mardia)

Proprietor

Membership number: 205307

Place: Chennai
Date: 22.05.2015



MUNOTH FINANCIAL SERVICES LIMITED

Balance Sheet as at 31 March, 2015

(In Rs)

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	51,612,500	51,612,500
(b) Reserves and surplus	3	57,683,877	59,001,980
		<u>109,296,377</u>	<u>110,614,480</u>
2 Non-current liabilities			
(a) Deferred tax liability	4	(116,716)	146,482
(b) Long-term provisions	5	723,891	671,972
		<u>607,175</u>	<u>818,454</u>
3 Current liabilities			
(a) Short Term Borrowings	6	18,625,463	19,701,971
(b) Trade payables	7	3,199,224	2,803,677
(c) Other current liabilities	8	1,700,698	1,990,517
		<u>23,525,385</u>	<u>24,496,166</u>
TOTAL		<u>133,428,938</u>	<u>135,929,100</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	41,120,929	42,554,972
(ii) Intangible assets		2,774,765	3,344,665
		<u>43,895,694</u>	<u>45,899,637</u>
(b) Non-current investments	10	49,564,759	60,375,810
(c) Long-term loans and advances	11	11,465,469	9,666,139
		<u>61,030,228</u>	<u>70,041,949</u>
2 Current assets			
(a) Trade receivables	12	2,008,546	3,804,631
(b) Cash and Bank balances	13	14,128,984	9,884,139
(c) Short-term loans and advances	14	115,167	9,238
(d) Other current assets	15	12,250,319	6,289,507
		<u>28,503,016</u>	<u>19,987,515</u>
TOTAL		<u>133,428,938</u>	<u>135,929,100</u>
Significant accounting policies			

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For MARDIA & ASSOCIATES

Chartered Accountants
Firm Reg No: 007888S

(MANISH MARDIA)

Proprietor
M. No 205307

For and on behalf of the Board of Directors

LALCHAND MUNOTH Chairman
JASWANT MUNOTH Managing Director & CEO

BHARAT MUNOTH Director
VIKAS MUNOTH Whole Time Director & CFO

PLACE : CHENNAI
DATE : 22/05/2015

A. G. NANDINI
Company Secretary



MUNOTH FINANCIAL SERVICES LIMITED

Statement of Profit and Loss for the year ended 31 March, 2015 (In Rs)

Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
I Income			
(a) Revenue from operations	16	14,501,551	10,413,271
(b) Other income	17	854,899	1,753,843
Total revenue		<u>15,356,450</u>	<u>12,167,115</u>
II Expenses			
(a) Employee benefit expenses	18	5,524,308	4,552,072
(b) Finance costs	19	2,374,190	2,833,743
(c) Depreciation and Amortisation expense	9	1,515,380	868,974
(d) Other expenses	20	6,875,210	5,243,509
Total expenses		<u>16,289,089</u>	<u>13,498,297</u>
III Profit / (Loss) before tax		(932,639)	(1,331,183)
IV Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		(263,198)	75,967
V Profit / (Loss) for the year		<u>(669,441)</u>	<u>(1,407,150)</u>
VI Earnings per share (of Rs. 10/- each) :21			
(a) Basic		(0.13)	(0.27)
(b) Diluted		(0.13)	(0.27)
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For MARDIA & ASSOCIATES
Chartered Accountants
Firm Reg No: 007888S

(MANISH MARDIA)
Proprietor
M. No 205307

PLACE : CHENNAI
DATE : 22/05/2015

For and on behalf of the Board of Directors

LALCHAND MUNOTH Chairman
JASWANT MUNOTH Managing Director & CEO

BHARAT MUNOTH Director
VIKAS MUNOTH Whole Time Director & CFO

A. G. NANDINI
Company Secretary



MUNOTH FINANCIAL SERVICES LIMITED

Cash Flow Statement for the year ended 31 March 2015

(In Rs)

	Year ended 31 March 2015 Rs.	Year ended 31 March 2014 Rs.
A. Cash flow from operating activities		
[a] Net Profit / (Loss) before tax	(932,639)	(1,331,183)
<i>Adjustments for:</i>		
Depreciation and amortisation	1,515,380	868,974
(Profit) / loss on sale / write off of assets	0	46,082
Finance cost	2,374,190	2,833,743
Interest income	(764,689)	(723,438)
Dividend income	(54,381)	(66,275)
Net (gain) / loss on sale of investments	1,235,507	(893,403)
	<u>4,306,008</u>	<u>2,065,683</u>
[b] Operating profit / (loss) before working capital changes	3,373,369	734,499
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	1,796,085	(2,336,365)
Short-term loans and advances	(105,929)	37,486
Long-term loans and advances	(1,799,330)	936,474
Other current assets	(5,960,812)	(1,201,883)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Short term Borrowings	(1,076,508)	1,993,511
Trade payables	395,547	2,757,927
Other current liabilities	(289,819)	26,675
Long-term provisions	51,919	85,200
	<u>(6,988,848)</u>	<u>2,299,027</u>
[c] Net cash from Operating Activities (A)	(3,615,483)	3,033,526
B. Cash flow from investing activities		
Purchase of Fixed Assets	(160,099)	(2,653,039)
Proceeds from sale of fixed assets	-	8,000
Purchase of long-term investments	0	(390,457)
Proceeds from sale of long-term investments	9,575,544	2,126,903
Interest received	586,456	558,415
Dividend received	54,381	66,275
Net Cash From Investing Activities (B)	<u>10,056,282</u>	<u>(283,903)</u>



MUNOTH FINANCIAL SERVICES LIMITED

C. Cash flow from financing activities

Finance cost	(2,374,190)	(2,833,743)
	<u>(2,374,190)</u>	<u>(2,833,743)</u>
Net Cash From Financing Activities (C)	(2,374,190)	(2,833,743)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	4,066,608	(84,119)
Cash and cash equivalents at the beginning of the year	<u>2,080,406</u>	<u>2,164,525</u>
Cash and cash equivalents at the end of the year	<u>6,147,014</u>	<u>2,080,406</u>
Cash & Cash Equivalents		
A.Cash on hand	544,244	346,694
B.Balances with banks		
(i) In current accounts	<u>5,602,770</u>	<u>1,733,712</u>
	<u>6,147,014</u>	<u>2,080,406</u>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For MARDIA & ASSOCIATES

Chartered Accountants
Firm Reg No: 007888S

(MANISH MARDIA)

Proprietor
M. No 205307

PLACE : CHENNAI
DATE : 22/05/2015

For and on behalf of the Board of Directors

LALCHAND MUNOTH Chairman
JASWANT MUNOTH Managing Director & CEO

BHARAT MUNOTH Director
VIKAS MUNOTH Whole Time Director & CFO

A. G. NANDINI
Company Secretary



MUNOTH FINANCIAL SERVICES LIMITED

Notes to financial statement for the year ended 31 March 2015

CORPORATE INFORMATION

Munoth Financial Services Limited is a public limited company domiciled in India and incorporated during the year 1990, under the provisions of the Companies Act, 1956. Its shares are listed on Bombay and Madras Stock Exchanges. The Company belongs to the reputed Munoth Group, Chennai. The company primarily focuses on Stock Broking, DP Operations, Portfolio Management Services, Merchant Banking and other Advisory Services.

NOTE : 1

SIGNIFICANT ACCOUNTING POLICIES

A] Basis of Preparation

The financial statements have been prepared under the historical cost convention basis in accordance with the Generally Accepted Accounting Principles (GAAP) in India and to comply with the mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, (as amended), the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable). All items of income and expenditure that have a material bearing on the financial statements are recognized on accrual basis.

B] Use of Estimates

The preparation of financial statements is in conformity with Generally Accepted Accounting Principles requiring management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as at the date of financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

C] Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Interest income is recognised on Time Proportion basis taking into account the amount outstanding and the rate applicable.
- ii. Dividend Income from Investments is recognised when the Company's right to receive payment is established.

D] Interest on Income Tax Refunds / Demands

It is accounted as Income in the year when granted and as tax expenses when determined by Tax Authorities.

E] Foreign Exchange Transactions

Transactions in Foreign Currency are recorded at Exchange rates prevailing at the time of the Transaction, while those remaining unsettled at the year end are translated at the Year end rates resulting in exchange difference being recognised as Income/Expenses(Net).

F] Taxation

- i. Income tax expenses comprises of Current tax and Deferred tax.
- ii. Current Income Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act, 1961.
- iii. Deferred Tax assets and liabilities arising on account of Timing differences which are capable of reversal in subsequent periods are recognised using Current Year Tax Rates.
- iv. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only when there is a virtual certainty of realization of such assets. The carrying amount of deferred tax assets are reviewed as at each balance sheet date and written down or, written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

G] Retirement Benefits

- i. Company's contribution under Provident Fund Act are charged to profit and loss account on accrual basis.



MUNOTH FINANCIAL SERVICES LIMITED

- ii. The Company has provided for gratuity being the estimated liability in terms of Payment of Gratuity Act, 1972. The liability has not been ascertained on actuarial basis.

H] Fixed Assets & Depreciation

i. Tangible Assets

Gross Block :

- a) Fixed Assets are stated at cost of acquisition inclusive of Inland freight and any attributable cost of bringing the asset to its working condition for its intended use with due adjustments for Cenvat credits.

Depreciation :

- a) The Company provides pro-rata depreciation from the date on which asset is acquired / put to use.
In respect of assets sold, pro-rata depreciation is provided upto the date on which the asset is sold.
On all assets, depreciation has been provided using the Written Down Value method at the rates specified in Part C Schedule II to the Companies Act, 2013. Individual Assets acquired for less than Rs. 5,000 are entirely depreciated in the year of acquisition.

ii. Intangible Assets

Intangible Assets are stated at cost less Amortization thereon. No Amortization has been provided on MSE Membership card.

I] Investments

Investments are long-term in nature and stated at cost. Provision for diminution in value of long-term investments is made only, if such a decline is other than temporary in the opinion of the management. Bonus entitlements are recognised as ex-bonus dates and no cost is attributed to bonus shares.

J] Segment Reporting

The company's business activity falls within a single primary business segment i.e. Capital Market. As such there is no separate reportable segment as per Accounting Standard 17.

K] Earnings Per Share

Basic Earnings per share are calculated by dividing the net Profit/Loss for the period attributable to Equity Shareholders by the Weighted Average Number of Equity Shares outstanding during the period.

For the Purpose of calculating Diluted earnings per share the Net profit/loss for the period attributable to Equity Shareholders by the Weighted Average Number of Equity Shares outstanding during the period are adjusted for the effects of all dilutive Potential Equity shares.

L] Cash Flow Statements

Cash Flows are reported using Indirect Method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature any deferrals or accruals of past or future cash receipts or payments.

The Cash Flow from regular Revenue generating, financing and Investing Activities of the Company are segregated as per Accounting Standard 3.

M] Cash & Cash Equivalents

Cash & Cash Equivalents comprises of Cash at Bank, Cash/ Cheques in Hand and Fixed Deposits with Banks with maturity period of 3 months or less.

N] Provisions & Contingent liabilities

The Current Assets, Loans and Advances other than doubtful have the value at which they are stated in the Balance sheet, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. Possible obligation, whose existence will only be confirmed by the occurrence or non occurrence of one or more uncertain future events, are disclosed as Contingent liabilities.



MUNOTH FINANCIAL SERVICES LIMITED

Note 2 Share capital (In Rs)

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Shares Equity shares of Rs.10 each with voting rights	10,000,000	100,000,000	10,000,000	100,000,000
(b) Issued, Subscribed and Fully Paid up Shares Equity shares of Rs.10 each with voting rights*	5,135,300	51,353,000	5,135,300	51,353,000
(c) Forfeited shares	-	259,500	-	259,500
Total	5,135,300	51,612,500	5,135,300	51,612,500

* Of the above 51,35,300 Equity Shares, 1,11,200 were allotted as fully paid up pursuant to a Contract for consideration other than cash

[A] Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Opening number of shares outstanding	5,135,300	51,612,500	5,135,300	51,612,500
Closing number of shares outstanding	5,135,300	51,612,500	5,135,300	51,612,500

[B] Terms/Rights attached to Equity shares

The Company has only one class of Equity shares having a Par value of Rs.10/- Per share. Each Holder of Equity Share is entitled to one vote per share. No dividend has been recognised as distribution to Equity shareholders for the Year ended 31.03.2015 (31.03.2014 : Rs. NIL)

In the event of Liquidation of the Company, the holders of Equity shares will be entitled to receive any of the assets of the Company, only after the distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the Shareholders.

[C] Details of Shareholders holding more than 5% shares in the Company

Name of the shareholders	No. of Shares	% of Holding
1.Lalchand Munoth	648,900	12.64
2 Jaswant munoth	713,400	13.89
3 Bharat Munoth	619,300	12.06
4 Vikas Munoth	905,300	17.63
5 Munoth Communication Ltd	1,256,100	24.46



MUNOTH FINANCIAL SERVICES LIMITED

Note 3 Reserves and surplus (In Rs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Securities premium account	20,250,000	20,250,000
(b) Revaluation Reserve Account		
Opening Balance	35,976,570	35,976,570
Add : Revaluation of Free Hold Land	-	-
Closing Balance	35,976,570	35,976,570
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	2,775,410	4,182,560
Add: Profit / (Loss) for the year	(669,441)	(1,407,150)
Add: Adjustment Relating to Fixed Asset	(648,662)	
Closing balance	<u>1,457,307</u>	<u>2,775,410</u>
Total	<u>57,683,877</u>	<u>59,001,980</u>

Note 4 Deferred tax liability (NET) (In Rs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Opening Balance	146,482	70,515
DTL on Timing Difference : Depreciation	(263,198)	75,967
Net deferred tax Liability	<u>(116,716)</u>	<u>146,482</u>

Note 5 Long-term provisions (In Rs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Provision for employee benefits:		
(i) Provision for gratuity	723,891	671,972
Total	<u>723,891</u>	<u>671,972</u>

Note 6 Short Term Borrowings (In Rs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Loans and Advances		
Secured		
Bank Overdraft*	3,108,615	16,056,920
Unsecured		
Loan from director	15,516,848	3,645,051
Total	<u>18,625,463</u>	<u>19,701,971</u>

* Bank Overdraft is secured against Property with Federal Bank Ltd

Note 7 Trade payables (In Rs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Trade payables*	3,199,224	2,803,677
Total	<u>3,199,224</u>	<u>2,803,677</u>

* The company does not have any dues towards Micro, Small and Medium Enterprises

Note 8 Other current liabilities (In Rs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Statutory Dues	138,099	124,552
Margin money received from Clients	1,256,669	1,230,677
Amount due to Employees	-	302,021
Outstanding Expenses	305,930	333,268
Total	<u>1,700,698</u>	<u>1,990,517</u>



NOTES - 9 FIXED ASSETS

(Rs.)

NAME OF ASSETS	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at April 1, 2014	Addition during the year	Sales/Adj during the year	Revaluation during the year	As at March 31, 2015	Upto March 31, 2014	For the year	Sales/Adj during the year	Upto March 31, 2015	As at March 31, 2014	As at March 31, 2015
Tangible Assets											
Freehold Land	38,456,000	-	-	-	38,456,000	-	-	-	-	38,456,000	38,456,000
Buildings	3,342,043	-	-	-	3,342,043	1,955,412	68,012	-	2,023,424	1,386,631	1,318,619
Furnitures & Fixtures	4,373,491	28,000	2,062	-	4,399,429	3,763,680	180,592	-	3,944,272	609,811	455,157
Vehicles (motor car)	1,183,656	-	-	-	1,183,656	897,978	126,965	-	1,024,943	285,678	158,713
Office Equipment (AC+Music system+ fire alarm+office eq+access control+ electrical fittings)	3,111,495	96,049	611,572	-	2,595,972	1,778,510	250,959	-	2,029,469	1,332,985	566,503
Computer	6,349,065	36,050	22,713	-	6,362,402	5,865,198	331,267	-	6,196,465	483,867	165,937
	56,815,750	160,099	636,347	-	56,339,502	14,260,778	957,795	-	15,218,573	42,554,972	41,120,929
Intangible Assets											
MSE Membership Card	2,000,000	-	-	-	2,000,000	-	-	-	-	2,000,000	2,000,000
Software	6,065,421	-	12,315	-	6,053,106	4,720,756	557,585	-	5,278,341	1,344,665	774,765
	8,065,421	-	12,315	-	8,053,106	4,720,756	557,585	-	5,278,341	3,344,665	2,774,765
Total (As on 31.03.2015)	64,881,171	160,099	648,662	-	64,392,608	18,981,534	1,515,380	-	20,496,914	45,899,637	43,895,694
Total (As on 31.03.2014)	62,296,140	2,653,039	68,008	-	64,881,171	18,126,486	868,974	13,926	18,981,534	44,169,654	45,899,637

Note :

Freehold Land has been revalued as on 31.03.2013 on the basis of an approved valuers report and consequent adjustment to the Gross Block has been credited to Revaluation reserve.



MUNOTH FINANCIAL SERVICES LIMITED

Note 10 Non-current investments

(In Rs)

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
(a) Investments (At cost):						
Non Trade Investment in equity instruments						
* (i) of Associate Companies	-	160,495	160,495	-	362,932	362,932
(ii) of other entities	26,466,214	22,938,050	49,404,264	32,413,080	27,599,798	60,012,878
Total			<u>49,564,759</u>			<u>60,375,810</u>

(i) The Market Value of Aggregated Quoted investments amounts to Rs. 3327381/-

(ii) The company has not made provision for a sum of **Rs. 23,138,833/-** (Previous year Rs. 22,276,170) being fall in the market value of quoted investments. Such provision has not been made as the management perceives that the investments are of long term in nature and such diminution in value is temporary. The Current value of unquoted investments cannot be ascertained in the absence of availability of latest financial results.

*(iii) The Company Munoth Neg Windfarm Pvt Ltd ceased to be associate company during financial year 2014-15

DETAILS OF THE SHARES AS ON 31.3.2015

In Equity Shares of Indian Companies

*A) Associates Companies

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
UN QUOTED				
Munoth Neg Windfarm Pvt Ltd	59000	160,495	133,700	362,932
		160,495		362,932
B) Others				
(i) QUOTED				
# Bafna Spinning	500	2,900	500	2,900
# Bonanza Pharma	100	775	100	775
# Oswal Chemicals	50	12,636	50	12,636
# Siris Ltd	200	16,846	200	16,846
Agritech India	2140	2,140	2140	2,140
Alembic Pharma	0	-	6000	570,617
Alembic limited - (Bonus)	0	-	6000	-
Antartica Ltd	1000	2,369	1000	2,369
Arihant Constyn	150	600	150	600
ATV Projects	300	5,100	300	5,100
Bajaj Auto	148	271,878	148	271,878
Bajaj Finserv Ltd	0	-	110	61,120
Bajaj Holding and Investment Ltd	0	-	100	144,206
Bhirwani Denim	200	1,250	200	1,250
Biofil Chemical	1000	1,000	1000	1,000
Blue Bend Petro	350	1,050	350	1,050
Brigade Enterprises Ltd	0	-	1000	406,344
BTW Industries	100	300	100	300
Cable Corporation	1000	1,500	1000	1,500
Celebrity Fashions	1873	256,099	1873	256,099
Indian Terrian Fashions Ltd	0	-	535	-
Computer Power	184000	65,900	184000	65,900
Concert Spices	100	300	100	300
Consolidated Fibre	100	400	100	400
Coromandel Finance	900	6,300	900	6,300



MUNOTH FINANCIAL SERVICES LIMITED

CT Cotton Yarn	300	3,550	300	3,550
Dcw Shares	0	-	22000	578,590
Deccan Granites	100	1,100	100	1,100
Dhampur Sugars	0	-	7066	742,495
DSQ Biotech Ltd	170	23,800	170	23,800
Dynavision	200	650	200	650
Essar Steel	114	32,940	114	32,940
Europeon Software	600	300	600	300
Fab Worth	100	1,975	100	1,975
Finolex Industries	100	6,035	100	6,035
Gangadharan Appliances	226	2,599	226	2,599
Golden Textiles	1300	3,900	1300	3,900
Gujrat Ambuja Cot Spin Limited	400	3,200	400	3,200
Gujrat Cotex	300	2,955	300	2,955
Harayana Petro	400	3,000	400	3,000
Hindustan Lever Ltd	1	173	1	173
Induj Infotech	105	105	105	105
Information Tech Ltd	5425	5,425	5425	5,425
Innovation Sec	1400	4,200	1400	4,200
Ispat Industries	4000	118,920	4000	118,920
IT People (India)	3636	514,400	3636	514,400
ITI	0	-	12000	942,574
Jaswal Granites	600	3,100	600	3,100
Jay Flash	19500	58,500	19500	58,500
Kirlosker Electricals	100	1,926	100	1,926
Krishna Life	1000	993	1000	993
Kumar Metallurgical	300	750	300	750
L M L	450	7,534	450	7,534
MCC Finance Ltd	7000	77,000	7000	77,000
Midland Plastics	200	1,800	200	1,800
Modern Synthetics	1150	14,893	1150	14,893
Modi Threads	200	900	200	900
Munoth Communication Ltd	807682	15,996,254	807682	15,996,254
Nahar Spinning Mills	0	-	2000	243,985
Nath Bio Genes	0	-	2354	2,354
Nath Seeds	0	-	6206	6,206
Natural Stone	900	5,400	900	5,400
NEPC India	200	4,188	200	4,188
Network Ltd	200	6,100	200	6,100
Omnitech Infosolu LT	2000	534,655	3000	801,982
Oswal Agro	350	546	350	546
Padmini Technology	700	1,400	700	1,400
Pan Asia Industries	100	1,200	100	1,200
PBA Infrastructure	2500	325,124	17733	2,306,172
Power Grid Corporation	78	12,835	78	12,835
Premier Ltd	100	5,325	100	5,325
Premier Plantations	100	200	100	200
Rajarithan Synthetic	600	3,000	600	3,000
Rathi Alloy and Steel	300	1,350	300	1,350
Reliance Capital Limited	2400	3,399,655	2400	3,399,655
Reliance Communication Ltd	4377	1,494,933	4377	1,494,933
Reliance Industries Ltd	250	450,973	250	450,973
Rishab Financial Services Ltd	18000	448,740	18000	448,740
Reliance Power Ltd	5000	1,930,429	5000	1,930,429
S Kumar Online	1000	2,000	1000	2,000
SAL Steel	10000	247,809	10000	247,809
Sanghi Poly Ltd	300	6,195	300	6,195
Sarala Gems Ltd	200	650	200	650



MUNOTH FINANCIAL SERVICES LIMITED

Silver Tech	6	590	6	590
Nextgen Animation Media Ltd	2	197	2	197
State Bank of India	13	14,047	13	14,047
Sudati Hosiery	300	3,000	300	3,000
Sunpharma Ltd	100	-	100	-
Super Forgings	200	3,300	200	3,300
Tirumal Textiles Process	400	2,000	400	2,000
TN Sponge	100	400	100	400
TNPL	100	8,254	100	8,254
Uniworth International	150	1,550	150	1,550
Vantel Tech	50	50	50	50
Veena Textiles	200	1,500	200	1,500
Videocon VCR	100	1,600	100	1,600
Vikas WSP Ltd	3000	3,000	3000	3,000
Vishal Exports-(Bonus)	1000	-	1000	-
Welwin	100	1,800	100	1,800
		26,466,214		32,413,080
(ii) UNQUOTED				
Arihant Fabrics	50	100.0	50	100
# Benaras Bank	87490	4,811,950.0	87490	4,811,950
# Deve Sugar	9400	1,410,000.0	9400	1,410,000
# Parvathi Hi tech	10000	100,000.0	10000	100,000
*# Rayalaseema Paper Mills	112000	11,200,000.0	112000	11,200,000
# Rhino Tyres	200	1,000.0	200	1,000
Madras Stock Exchange	285000	15,000.0	285000	15,000
India Mobile Network P Ltd	50000	500,000.0	50000	500,000
South India Chemicals & Leasing P Ltd	7500	2,400,000.0	7500	2,400,000
Sankeshwara Finance & Investments P Ltd	20000	2,000,000.0	20000	2,000,000
Misrimal Navajee Estates P Ltd	5000	500,000.0	5000	500,000
Munoth Industries Limited	0	-	450000	4,500,000
MSE Financial Services Ltd	0	-	13479	161,748
		22,938,050		27,599,798
TOTAL		49,404,264		60,012,878
GRAND TOTAL		49,564,759		60,375,810

*Received as consideration against preferential issue of 112000 equity shares of Rs.10/- each at a premium Rs.90/- each.
Shares not held in the name of the Company

Note 11 Long-term loans and advances

Particulars	(In Rs)	
	As at 31 March, 2015	As at 31 March, 2014
(a) Security deposits		
Secured, considered good	8,216,971	8,216,971
(b) Prepaid expenses	3,197,337	1,398,006.60
(c) MAT credit entitlement	51,161	51,161
Total	11,465,469	9,666,139



MUNOTH FINANCIAL SERVICES LIMITED

Note 12 Trade receivables		(In Rs)	
Particulars	As at 31 March, 2015	As at 31 March, 2014	
A. Outstanding for a period exceeding six months from the due date			
Considered good	1,138,199	1,174,775	
B. Outstanding for a period less than six months from the due date			
Considered good	<u>870,347</u>	<u>2,629,855</u>	
Total	<u>2,008,546</u>	<u>3,804,631</u>	
Note 13 Cash & Bank Balance		(In Rs)	
Particulars	As at 31 March, 2015	As at 31 March, 2014	
Cash & Cash Equivalents			
A. Cash on hand	544,244	346,694	
B. Balances with banks			
(i) In current accounts	<u>5,602,770</u>	<u>1,733,712</u>	
	<u>6,147,014</u>	<u>2,080,406</u>	
Others			
A. Deposit with bank with 3-12 months maturity	<u>7,981,966</u>	<u>7,803,733</u>	
Total	<u>14,128,980</u>	<u>9,884,139</u>	
Note 14 Short-term loans and advances		(In Rs)	
Particulars	As at 31 March, 2015	As at 31 March, 2014	
(a) Loans and advances to employees			
Unsecured, considered good	<u>115,167</u>	<u>9,238</u>	
Total	<u>115,167</u>	<u>9,238</u>	
Note 15 Other current assets		(In Rs)	
Particulars	As at 31 March, 2015	As at 31 March, 2014	
(i) Interest accrued on deposits	77,650	79,037	
(a) Accruals			
Interest accrued on deposits	54,088	77,426	
(b) Others			
Income Tax Refund Due	1,485,131	2,198,541	
Prepaid Expenses	176,907	1,004,374	
Federal Bank Interest Receivable	549,000	549,000	
DP A/c and Transactions receivable	2,453,707	1,574,418	
Service tax input	32,636	51,633	
Sale of Share- Receivables	5,850,000	-	
TDS Receivable	1,648,851	834,115	
Total	<u>12,250,319</u>	<u>6,289,507</u>	



MUNOTH FINANCIAL SERVICES LIMITED

Note 16 Revenue from operations		(In Rs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
IDP and AMC Transaction Charges	2,201,796	1,005,644	
Merchant Banking & PMS	7,083,853	6,716,667	
Brokerage and Turnover charges	5,215,903	2,690,960	
Total	<u>14,501,551</u>	<u>10,413,271</u>	
Note 17 Other income		(In Rs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
Interest income	764,689	723,438	
Dividend income	54,381	66,275	
Intra Day profit on trading	-	10,171	
Net gain on sale of long term investments	-	883,232	
Miscellaneous income	35,829	70,727	
Total	<u>854,899</u>	<u>1,753,843</u>	
Note 18 Employee benefits expense		(In Rs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
Salaries and wages	5,158,585	4,293,010	
Contributions to provident and other funds	228,539	216,859	
Staff welfare expenses	137,184	42,203	
Total	<u>5,524,308</u>	<u>4,552,072</u>	
Note 19 Finance costs		(In Rs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
Interest expenses	2,167,608	2,373,483	
OD Renewal Charges	-	110,567	
Bank Guarantee Charges	172,475	343,631	
Bank charges	34,108	6,062	
Total	<u>2,374,190</u>	<u>2,833,743</u>	
Note 20 Other expenses		(In Rs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
Power and fuel	580,071	452,444	
Repairs and maintenance			
- Buildings	193,612	88,465	
- Machinery	169,628	224,111	
- Others	378,007	213,055	
Investment Manager Fund Expense	468,588	439,824	
Insurance	61,076	72,922	
Rates and taxes	86,837	87,052	



MUNOTH FINANCIAL SERVICES LIMITED

Telephone Charges	237,363	203,096
Communication	277,396	112,708
Travelling and conveyance	206,213	1,366,535
Printing and stationery	156,842	104,392
Business promotion	190,506	192,610
Legal and professional fees	365,060	297,781
NSDL Transaction charges	163,920	175,351
Net Loss From sale Of Long Term Investments	1,235,507	-
Loss on Sale of Asset	-	46,082
Provision for gratuity	51,919	85,200
Vsat charges	20,118	21,657
Registration fees PMS	166,667	166,667
Registration fees MBD	300,000	166,666
Lease Line charges	100,427	39,977
NSE Transaction charges - Equity & F&O	597,434	148,083
Annual Subscription fees	198,346	59,900
Clearing & Settlement charges	120,647	26,142
Professional tax	2,190	2,190
General Expense	114,467	-
Fines and Penalties	42,836	-
Advertisement Expense	48,642	-
Auditor's Remuneration :		
- Statutory Audit Fee	75,000	75,000
- Limited Review	13,500	13,500
- Certification	28,500	31,500
Donation	-	110,000
Miscellaneous expenses	223,889	220,599
Total	<u>6,875,210</u>	<u>5,243,509</u>

Note 21 Earnings per share

(In Rs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(669,441)	(1,407,150)
Weighted average number of equity shares	5,135,300	5,135,300
Par value per share	10	10
Earnings per share	(0.13)	(0.27)

NOTE : 22

DISCLOSURE OF RELATED PARTIES/RELATED PARTY TRANSACTIONS

A. Name of the Related Parties with whom transactions were carried out during the year and description of relationship :

(I) Key Management personnel and their relatives:-

- Lalchand Munoth
- Jaswant Munoth
- Bharat Munoth

(II) Enterprises owned or significantly influenced by Key management personnel or their relatives (either individually or with others)

- Munoth Communication Limited



MUNOTH FINANCIAL SERVICES LIMITED

B. Disclosure of Related Party Transactions	Party	Current Year Rs.	Previous Year Rs.
(I) Key Management personnel and their relatives:-			
a) Remuneration and perks	Jaswant Munoth	1,500,000	1,517,154
b) Interest Payable	Bharat Munoth	444,664	-
c) Interest Payable	Lalchand Munoth	341,250	-
d) Loan Received	Lalchand Munoth	-	3,645,051
e) Loan Received	Bharat Munoth	11,200,000	-
(II) Enterprises owned or significantly influenced by Key management personnel or their relatives (either individually or with others)			
a) Purchase of Investments	Munoth Communication Limited	-	118,579
b) Rendering of services	Munoth Communication Limited	-	9,544
c) Sale of Investment	Munoth Neg Windfarm P Ltd	74,700	-
d) Sale of Investment	Munoth Industries Limited	5,850,000	-

NOTE : 23

EMPLOYEE BENEFITS (AS - 15)

Defined contribution plan :

The Company makes Recognized Provident Fund contributions and Employees State Insurance Contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 2,05,667 (Year ended 31 March, 2015) for Provident Fund contributions and Employees State Insurance Contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

NOTE : 24

EXPENDITURE IN FOREIGN CURRENCY

Particulars	Current Year	Previous Year
Expenditure towards Foreign Travel	-	595,434

NOTE : 25

CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	Current Year	Previous Year
a) Guarantees issued by the company's banker -Guarantee given by HDFC Bank & Federal Bank to Stock Exchanges	13,850,000	13,850,000
b) Estimated Liability on account of certain taxes and duties not provided for - Income Tax Appeals pending before CIT(Appeals)	58,004	-
26. The company has received a letter from RBI exempting it from Registration as a Non Banking		



MUNOTH FINANCIAL SERVICES LIMITED

Financial Company as it is already registered as stock broker with SEBI.

27. Bangalore branch transactions are consolidated in respective heads in Head office account.
 28. Previous year figures have been regrouped and rearranged wherever necessary to conform to this year classification.
-

As per our report of even date attached

For MARDIA & ASSOCIATES

Chartered Accountants
Firm Reg No: 007888S

(MANISH MARDIA)

Proprietor
M. No 205307

PLACE : CHENNAI
DATE : 22/05/2015

For and on behalf of the Board of Directors

LALCHAND MUNOTH **JASWANT MUNOTH**
Chairman Managing Director & CEO

BHARAT MUNOTH **VIKAS MUNOTH**
Director Whole Time Director & CFO

A. G. NANDINI
Company Secretary

MUNOTH FINANCIAL SERVICES LIMITED

Regd. Off: Suite No. 46 & 47, Munoth Centre, 3rd Floor, 343 Triplicane High Road, Chennai - 600 005

CIN:L65991TN1990PLC019836

ATTENDANCE SLIP

24th ANNUAL GENERAL MEETING

Reg. Folio No.

No. of Shares.....

DPID : Client ID

I certify that I am the registered share holder/Proxy for the registered shareholder of the Company. I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company held on Wednesday, 23rd September, 2015, at 10.25 A.M. at Nahar Hall, (South India Hire Purchase Association), Desabandhu Plaza, 1st Floor, 47 Whites Road, Royapettah, Chennai - 600 014.

Members / Proxy's Name in Block Letters

Member's / Proxy Signature

Form No. MGT-11

24th ANNUAL GENERAL MEETING

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L65991TN1990PLC019836

Name of the company: MUNOTH FINANCIAL SERVICES LIMITED

Registered office: Suite No. 46 & 47, Munoth Centre, 3rd Floor, 343 Triplicane High Road, Chennai - 600 005

1	Name(s) of Member(s) including joint holders, if any (in Block Letter(s))	
2	Registered Address of the Sole/ First named Member	
3	Registered Folio No. / DPID No. / Client ID No. (*Applicable to investors holding shares in demat form)	
4	No. of Shares held	

I/We, being the member (s) of shares of the above named company, hereby appoint

- Name :
Address :
E-mail ID : Signature :or failing him,
- Name :
Address :
E-mail ID : Signature :or failing him,
- Name :
Address :
E-mail ID : Signature :or failing him,

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual general meeting of the company, to be held on Wednesday 23rd September, 2015, at 10.25 A.M. at Nahar Hall, South India Hire Purchase Association, Desabandhu, 1st Floor, 47, Whites Road, Royapettah, Chennai - 600 014. and at any adjournment thereof in respect of all the resolutions as are indicated follows:



SL. No.	RESOLUTIONS	Opotional	
		For	Against
	<i>Ordinary Business</i>		
1	<i>Adopt the Audited Financial statements of the Company for the financial year ended March 31, 2015 including the audited Balance Sheet as on that date and the Statement of Profit and Loss for the year ended as on that date and the Reports of the Directors and Auditors thereon.</i>		
2	<i>Re-appointment of Mr. Lalchand Munoth as Director who retires by rotation</i>		
3	<i>Re-appointment of Mr. Jaswant Munoth as Director who retires by rotation</i>		
4	<i>Re-appointment of Mr. Bharat Munoth as Director who retires by rotation</i>		
5	<i>Retification of appointment of Auditors</i>		
	<i>Special Business</i>		
6	<i>Appointment of Ms. Lakshika Mehta as Independent Director</i>		
7	<i>Re-appointment of Mr. Jaswant Munoth as Managing Director</i>		

Signed this day of 2015

Signature of shareholder

Affix 1/-
Revenue
Stamp

Signature of first Proxy holder(s) Signature of Second Proxy holder(s) Signature of Third Proxy holder(s)

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to Attend and Vote instead of him/herself and the proxy need not be a member of the Company. The Proxy, in order to be effective, must be deposited at The Registered Office of the Company duly completed and signed not less than 48 hours before the commencement of the meeting.
Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authority, as applicable.
A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.*

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If undelivered please return to:

MUNOTH FINANCIAL SERVICES LIMITED

MUNOTH CENTRE

5th Floor, Suite No. 45 & 47,

343, Triplicane High Road,

Chennai - 605 005.