



Munoth Financial Services Limited

Regd. Office : Munoth Centre, Suite No. 46 & 47, 3rd Floor, 343, Triplicane High Road, Chennai - 600 005. INDIA.
Tele : 91-44-28591185 Fax : 91-44-28591188 E-mail: info@munothfinancial.com
Branches : Bangalore : Trust Complex 3rd Floor, No. 10, D.V.G. Road, Bangalore - 560 004.
Ph : 080 - 26603424 / 25 Fax : 080 - 26603423 CIN : L65991TN1990PLC019836

October 9, 2018

M/s. Bombay Stock Exchange Limited,
Phiroze Jheejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Dear Sir,

Sub: Regulation 34 (1) of SEBI Listing Obligations and Disclosure Requirements)
Regulations, 2015 – Submission of Annual Report

Please find enclosed herewith the Annual Report of the Company for the financial year 2017-18. Kindly take it on record.

Thanking you,

Yours faithfully,

For Munoth Financial Services Limited


A G Nandini
Company Secretary



- Member of National Stock Exchange (CM INB 230803634)
- Member of National Stock Exchange Derivatives (INF 230803634)
- Member Madras Stock Exchange (INB 040803634)



- Merchant Banker (INM000003739)
- Portfolio Management Service (INP000000308)
- Depository Participant (IN-DP-NSDL-30-97)
- SEBI MAPIN No.: 100002089



Munoth Financial Services Limited

27th Annual Report 2017-2018



MUNOTH FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

Mr. Lalchand Munoth, Chairman DIN No: 01693640
Mr. Jaswant Munoth, Managing Director DIN No: 00769545
Mr. Bharat Munoth DIN No: 00769588
Mr. Vikas Munoth DIN No: 00769366
Mr. Tansri Rajandram DIN No. 02482369
Mr. Mah Sau Cheong DIN No: 06978158
Mr. Ajit Kumbhat DIN No: 01101399
Ms. Lakshika Mehta DIN No: 07183815

COMPANY SECRETARY

Ms. A G Nandini

AUDITORS

C K Prusty & Associates
Chartered Accountants
Chennai

SECRETARIAL AUDITOR

Mr. N Selvam
Practicing Company Secretary

BANKERS

HDFC Bank
Bank of Baroda

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 Seventh Annual General Meeting of the Company will be held on Thursday, September 20, 2018 .at 11.30 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, 2018 including the audited Balance Sheet as on that date and the Statement of Profit and Loss for the year ended on that date and cash flow statement as on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Vikas Munoth (DIN No.00769366) 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 Lalchand Munoth (DIN No: 01693640) 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.

SPECIAL BUSINESS

5. 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 Nomination and 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. Vikas Munoth (DIN : 00769366), for reappointment as a director, liable to retire by rotation, and also "Whole Time Director" of the Company for a period of two years effective from September 27, 2018 to September 26, 2020 , 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.Vikas 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 : August 13, 2018
Place : Chennai

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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.

CLOSURE OF REGISTER OF MEMBERS:

The Register of Members and the Share Transfer Books of the Company will remain closed from September 14, 2018 to September 20, 2018 (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 17, 2018.

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.



MUNOTH FINANCIAL SERVICES LIMITED

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 alongwith 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.

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 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 13, 2018.. 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 17, 2018 at 9:00 A M and ends on September 19, 2018 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 13, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The



MUNOTH FINANCIAL SERVICES LIMITED

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.
- (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 and the 8 digits of the sequence number which is mentioned in address label as serial no. affixed on Postal Ballot in the PAN Field.• 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 |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">• If both 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 (iv). |

- (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.



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- (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.
- (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 two 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.N Selvam, practicing Company Secretary has been appointed as scrutinizer for conducting the e- voting process in fair and transparent manner.



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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. 5

Mr. Vikas Muoth was appointed as the Whole Time Director for two years with effect from September 27, 2018.

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 Whole Time Director with the remuneration of Rs. 1,00,000/- per month. Mr. Vikas Munoth is the Managing Director of Munoth Industries Limited and Director in Munoth Communication Limited..Mr. Vikas Munoth is also designated as CFO of the Company The Board of Directors in their meeting held on August 13, 2018 has decided to reappoint him as the Whole Time Director of the Company for the period of two years with effect from September 27, 2018 and who is elible to retire by rotation.

Mr. Vikas Munoth is a Commerce graduate with a Master Degree in Business Administration and Chartered Financial Analyst. He has extensive knowledge in the field of finance and investments.

Approval of Members is required by way of ordinary resolution for reappointment and payment of remuneration to Mr. Vikas Munoth

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 ‘1,00,000/- 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. subject to a ceiling on increment of 30% in a year (following April to March year) over the existing Basic salary and Allowances, as on 1st April every year, commencing from 1st April, 2019.

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. Vikas 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.



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- 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. VikasMunoth

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 Whole time Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay Mr.Vikas 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.Vikas Munoth.”.

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

Place : Chennai
Date : 13/08/2018

Lalchand Munoth
Chairman



DIRECTORS' REPORT

To The Members

Your Directors have pleasure in presenting their Twenty Seventh Annual Report together with the Audited Accounts for the year ended March 31, 2018

FINANCIAL RESULTS:

| Particulars | 2017-2018 Rs.in '000 | 2016-2017 Rs. in '000 |
|--|---------------------------------|----------------------------------|
| Total Revenue | 15,444.07 | 11,033.03 |
| Total Expenses | 13,716.84 | 11,213.23 |
| Profit or Loss before Exceptional and Extraordinary items and Tax | 1,727.23 | (180.20) |
| Less: Exceptional Items | - | - |
| Less: Extraordinary Items | - | - |
| Profit/(Loss)before Tax | 1,727.23 | (180.20) |
| Less: Current Tax | - | - |
| Deferred Tax | (138.15) | (99.13) |
| Profit/(Loss) after Tax | 1,865.37 | (81.06) |
| Other Comprehensive Income | | |
| (ii) Gain/(Loss) on measuring equity instrument at Fair Value Through Other Comprehensive Income | 21,280.00 | (3,200.00) |
| Total Comprehensive Income for the year | 23,145.37 | (3,281.07) |
| Earnings Per Share | | |
| - Basic Earning per Share | 4.51 | (0.64) |
| - Diluted Earning per Share | 4.51 | (0.64) |

REVIEW OF BUSINESS OPERATIONS:

During the financial year 2017-18, the Company's total revenue has increased from Rs. 11033.03 thousands to Rs. 15444.07 thousands in the current year.

The Company has made a profit of Rs.1865.37.thousands in the current financial year as against a loss of Rs 81.06 thousands in the last financial year

Stock Broking

Income from stock broking operations has increased from Rs. 1551.13 Thousands in the previous financial year to Rs. 2346.11 thousands in the current financial year

The broking turnover of the company in cash segment is Rs. 159.75 Crores as compared to Rs. 103.30 Crores in the last financial year and in F & O segment is Rs.18.18 Crores as compared to Rs. 9.49 Crores compared in the last financial year.



MUNOTH FINANCIAL SERVICES LIMITED

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. 631.63 Thousands as against Rs. 591.94 Thousands in the previous financial year

Merchant Banking & Portfolio Management Services:

The Company continues to provide PMS services under both discretionary and non – discretionary basis.

The Company's MBD division is providing valuation services in accordance with the requirement of the various acts/statutory requirements.

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)

Income from Merchant Banking & PMS has increased to Rs 11,692.64 Thousands from Rs 7,502.43 Thousands in the previous year.

FUTURE PROSPECTS

The company will continue to focus on Investment Banking, Portfolio Management services and Institutional Broking business.

INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Corporate Affairs (MCA) on February 15, 2015 notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of companies. Ind AS has replaced the previous Indian GAAP as per the Companies Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies 2013, (the 'Act') and other relevant provisions of the Act. The financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016.

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 2018(THE END OF THE FINANCIAL YEAR and 28th MAY 2018 (THE DATE OF REPORT)

There were no material changes and commitments affecting the financial position of the company between 31st March 2018(the end of the financial year) and 28th May 2018 (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.



MUNOTH FINANCIAL SERVICES LIMITED

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 2017-18.

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.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Company has conducted 4 Board meetings during the financial year under review. 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. The dates of the Board Meetings were May 23, 2017, July 31, 2017, November 24, 2017 and February 8, 2018.

AUDIT COMMITTEE:

The Audit Committee comprised of Independent Directors Mr. Ajit Kumbhat (Chairman), Ms. Lakshika Mehta, Mr. Mah Sau Cheong and Mr. Jaswant Munoth as Members as per the requirement of Section 177 of the Companies Act, 2013. All the recommendations made by the Audit Committee were accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE:

The Remuneration Committee comprised of Ms. Lakshika Mehta (Chairman), Mr. Ajit Kumbhat, Tansri Rajandram.. The committee is vested with all necessary powers and authority to determine and recommend the remuneration payable to Executive Directors.

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.

SHAREHOLDERS RELATIONSHIP COMMITTEE

Pursuant to Companies Act 2013, the Board of Directors had reconstituted Shareholders'/ Investor Greivance 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.

The Committee comprised of Ms. Lakshika Mehta (Chairman), Mr. Ajit Kumbhat, Tansri Rajandram, Mr. Jaswant Munoth..

The chairperson or the member authorized by him of each of the committees constituted under Section 178 attended the general meeting of the Company



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, 2018 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 34(2)(e) of SEBI(LODR) Regulations 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 2018 and of the Profit/Loss of the company for the year ended 31st March 2018
- 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 AND KMP

Re appointment of Directors retiring by rotation

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



Information pursuant to Regulation 36(3) of SEBI (LODR) Regulations

1. 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 79 years (DOB: 05/12/1938) 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, Misrimal Navajee Estates Private Limited, Munoth Industries Limited, Munoth Bioscience Limited and South India Chemicals and Leasing Private Limited.

As on March 31, 2018, his shareholding in the Company is 6,87,100 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 .

2. 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 48 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.

As on March 31, 2018, his shareholding in the Company is 7,17,900 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.

3. Brief resume of Mr. Vikas Munoth and nature of his expertise in specific functional areas:

Mr. Vikas Munoth, aged 41 years (Date of Birth : 26/03/1977) holds a Bachelor Degree in Commerce is a Commerce graduate and holds a post-graduate diploma in Business Management specialising in Finance and Marketing. He is also a Chartered Financial Analyst and specialises in fundamental and technical analysis. He has extensive years of experience and knowledge in the field of Capital Markets. He was appointed as whole time Director on September 27, 2001. He is also the Director of Munoth Communication Limited and Munoth Industries Limited.

As on March 31, 2018, his shareholding in the Company is 9,94,500 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. Vikas Munoth and Mr. Bharat Munoth & Mr. Jaswant Munoth are brothers of Mr. Vikas Munoth.

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.



MUNOTH FINANCIAL SERVICES LIMITED

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:

Members of the Company at the AGM held on August 31, 2017 had approved the appointment of C K Prusty & Associates as the Statutory Auditors for a period of five financial years and they hold office until the conclusion of the AGM to be held in the year 2022..

SECRETARIAL AUDIT REPORT:

A Secretarial Audit was conducted during the year by the secretarial Auditor, Mr. N Selvam, 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 2017-18

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

Mr. Ajit Kumbhat, a non executive independent director was disqualified by ministry of corporate affairs for non filing of financials for the company- M/s. Kumbhat Financial Services Limited against which he has got stay order from High Court of Madras. Currently the company has filed all the forms required and the status of DIN of Mr. Ajit Kumbhat is active as on the date of signing this report

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary or Joint venture Company. 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 Regulation, 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



MUNOTH FINANCIAL SERVICES LIMITED

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 Regulation, 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 REPORT:

Pursuant to Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, report on Corporate Governance is not applicable to the Company for the financial year 2017-18 since the NetWorth is below 25 Crore and the Paidup Capital of the Company is less than 10 Crore.

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

Place : Chennai
Date : May 28, 2018

Jaswant Munoth
Managing Director

Vikas Munoth
Whole Time Director



MUNOTH FINANCIAL SERVICES LIMITED

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 Listing Agreement Regulations.

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



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.

- 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



MUNOTH FINANCIAL SERVICES LIMITED

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 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. 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.



MUNOTH FINANCIAL SERVICES LIMITED

- 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.

For and on behalf of the Board of Directors

Place : Chennai
Date : May 28, 2018

Jaswant Munoth
Managing Director

Vikas Munoth
Whole Time Director



MUNOTH FINANCIAL SERVICES LIMITED

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018

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, TRIPLICANE HIGH ROAD, TRIPLICANE, 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) | 75.70% |
| 2 | Security and Commodity Contracts brokerage | 6612(66120) | 15.19% |
| 3 | Activities auxiliary to financial services activity nec | 6619(66190) | 9.11% |

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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



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 | 3384900 | 0 | 3384900 | 65.92 | 3384900 | 0 | 3384900 | 65.92 | 0 |
| b) Central Govt.or State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corporates | 227700 | 0 | 227700 | 4.43 | 227700 | 0 | 227700 | 4.43 | 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) | 3612600 | 0 | 3612600 | 70.35 | 3612600 | 0 | 3612600 | 70.35 | 0 |
| (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) | 3612600 | 0 | 3612600 | 70.34 | 3612600 | 0 | 3612600 | 70.34 | 0.00 |
| 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 |



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 | |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Indian | 1064122 | 7700 | 1071822 | 20.87 | 1064122 | 7700 | 1071822 | 20.87 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs | 61643 | 151925 | 213568 | 4.17 | 61643 | 151925 | 213568 | 4.17 | 0 |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 0 | 11700 | 11700 | 0.22 | 0 | 11700 | 11700 | 0.22 | 0 |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HUF | 610 | 0 | 610 | 0.01 | 610 | 0 | 610 | 0.01 | -0 |
| SUB TOTAL (B)(2): | 1126375 | 171325 | 1297700 | 25.27 | 1126375 | 171325 | 1297700 | 25.27 | 0 |
| Total Public Shareholding(B)= (B)(1)+(B)(2) | 1126375 | 396325 | 1522700 | 29.65 | 1126375 | 396325 | 1522700 | 29.65 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 4738475 | 397225 | 5135300 | 100.00 | 4738975 | 396325 | 5135300 | 100.00 | 0.00 |



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 | 815200 | 15.87 | 0 | 815200 | 15.87 | 0 | 0.00 |
| 2 | BHARAT MUNOTH | 717900 | 13.98 | 0 | 717900 | 13.98 | 0 | 0.00 |
| 3 | LEELADEVI MUNOTH | 155000 | 3.02 | 0 | 155000 | 3.02 | 0 | 0.00 |
| 4 | VIKAS MUNOTH | 994500 | 19.37 | 0 | 994500 | 19.37 | 0 | 0.00 |
| 5 | VIJAYALAKSHMI MUNOTH | 15200 | 0.30 | 0 | 15200 | 0.30 | 0 | 0.00 |
| 6 | LALCHAND MUNOTH | 687100 | 13.38 | 0 | 687100 | 13.38 | 0 | 0.00 |
| 7 | MUNOTH INDUSTRIES LIMITED | 9700 | 0.19 | 0 | 9700 | 0.19 | 0 | 0.00 |
| 8 | SOUTHINDIA CHEMICALS & LEASING (P) LTD | 201200 | 3.92 | 0 | 201200 | 3.92 | 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 | 3612600 | 70.35 | 0.00 | 3612600 | 70.35 | 0.00 | 0.00 |



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 01/04/2017 | 815200 | 15.87 | 815200 | 15.87 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 815200 | 15.87 | 815200 | 15.87 |
| 2 | BHARAT MUNOTH | | | | |
| | At the beginning of the year 01/04/2017 | 717900 | 13.98 | 717900 | 13.98 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 717900 | 13.98 | 717900 | 13.98 |
| 3 | LEELADEVI MUNOTH | | | | |
| | At the beginning of the year 01/04/2017 | 155000 | 3.02 | 155000 | 3.02 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 155000 | 3.02 | 155000 | 3.02 |
| 4 | VIKAS MUNOTH | | | | |
| | At the beginning of the year 01/04/2017 | 994500 | 19.37 | 994500 | 19.37 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 994500 | 19.37 | 994500 | 19.37 |
| 5 | VIJAYALAKSHMI MUNOTH | | | | |
| | At the beginning of the year 01/04/2017 | 15200 | 0.30 | 15200 | 0.30 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 15200 | 0.30 | 15200 | 0.30 |
| 6 | LALCHAND MUNOTH | | | | |
| | At the beginning of the year 01/04/2017 | 687100 | 13.38 | 687100 | 13.38 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 687100 | 13.38 | 687100 | 13.38 |
| 7 | MUNOTH INDUSTRIES LIMITED | | | | |
| | At the beginning of the year 01/04/2017 | 9700 | 0.19 | 9700 | 0.19 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 9700 | 0.19 | 9700 | 0.19 |
| 8 | SOUTHINDIA CHEMICALS & LEASING (P) LTD | | | | |
| | At the beginning of the year 01/04/2017 | 201200 | 3.91 | 201200 | 3.91 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 201200 | 3.91 | 201200 | 3.91 |
| 9 | MAHARANA FINANCE & INVESTMENTS (P) LTD | | | | |
| | At the beginning of the year 01/04/2017 | 13600 | 0.26 | 13600 | 0.26 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 13600 | 0.26 | 13600 | 0.26 |
| 10 | MUNOTH BIOSCIENCE LIMITED | | | | |
| | At the beginning of the year 01/04/2017 | 3200 | 0.06 | 3200 | 0.06 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 3200 | 0.06 | 3200 | 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 01/04/2017 At the end of the year 31/03/2018 | 1006100 1006100 | 19.59 19.59 | 1006100 1006100 | 19.59 19.59 |
| 2 | PRIORY INVESTMENTS (MAURITIUS) LIMITED At the beginning of the year 01/04/2017 At the end of the year 31/03/2018 | 225000 225000 | 4.38 4.38 | 225000 225000 | 4.38 4.38 |
| 3 | MISRIMAL NAVAJEE ESTATES P LTD At the beginning of the year 01/04/2017 At the end of the year 31/03/2018 | 30800 30800 | 0.60 0.60 | 30800 30800 | 0.60 0.60 |
| 4 | G-TECH STONE LIMITED At the beginning of the year 01/04/2017 At the end of the year 31/03/2018 | 24800 24800 | 0.48 0.48 | 24800 24800 | 0.48 0.48 |
| 5 | RAVINDRAN G At the beginning of the year 01/04/2017 At the end of the year 31/03/2018 | 11700 11700 | 0.23 0.23 | 11700 11700 | 0.23 0.23 |
| 6 | NUTECH FINANCIAL SERVICES LIMITED At the beginning of the year 01/04/2017 At the end of the year 31/03/2018 | 7200 7200 | 0.14 0.14 | 7200 7200 | 0.14 0.14 |
| 7 | RAMU A At the beginning of the year 01/04/2017 At the end of the year 31/03/2018 | 4700 4700 | 0.09 0.09 | 4700 4700 | 0.09 0.09 |
| 8 | JAGANATHAN N At the beginning of the year 01/04/2017 At the end of the year 31/03/2018 | 4400 4400 | 0.09 0.09 | 4400 4400 | 0.09 0.09 |
| 9 | VIJAYA J At the beginning of the year 01/04/2017 At the end of the year 31/03/2018 | 4400 4400 | 0.09 0.09 | 4400 4400 | 0.09 0.09 |
| 10 | SELVARAJ K At the beginning of the year 01/04/2017 At the end of the year 31/03/2018 | 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 01/04/2017 | 815200 | 15.87 | 815200 | 15.87 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 815200 | 15.87 | 815200 | 15.87 |
| 2 | BHARAT MUNOTH | NO CHANGES DURING THE YEAR | | | |
| | At the beginning of the year 01/04/2017 | 717900 | 13.98 | 717900 | 13.98 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 717900 | 13.98 | 717900 | 13.98 |
| 3 | VIKAS MUNOTH | | | | |
| | At the beginning of the year 01/04/2017 | 994500 | 19.37 | 994500 | 19.37 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 994500 | 19.37 | 994500 | 19.37 |
| 4 | LALCHAND MUNOTH | NO CHANGES DURING THE YEAR | | | |
| | At the beginning of the year 01/04/2017 | 687100 | 13.38 | 687100 | 13.38 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 687100 | 13.38 | 687100 | 13.38 |
| 5 | LAKSHIKA MEHTA | | | | |
| | At the beginning of the year 01/04/2017 | 0 | 0.00 | 0 | 0.00 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 0 | 0.00 | 0 | 0.00 |
| 6 | TANSRI RAJANDRAM | | | | |
| | At the beginning of the year 01/04/2017 | 0 | 0.00 | 0 | 0.00 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 0 | 0.00 | 0 | 0.00 |
| 7 | MAH SAU CHEONG | | | | |
| | At the beginning of the year 01/04/2017 | 0 | 0.00 | 0 | 0.00 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 0 | 0.00 | 0 | 0.00 |
| 8 | AJIT KUMBHAT | | | | |
| | At the beginning of the year 01/04/2017 | 0 | 0.00 | 0 | 0.00 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 0 | 0.00 | 0 | 0.00 |
| 9 | A G NANDINI - Company Secretary (kmp) | | | | |
| | At the beginning of the year 01/04/2017 | 0 | 0.00 | 0 | 0.00 |
| | Changes during the year | NO CHANGES DURING THE YEAR | | | |
| | At the end of the year 31/03/2018 | 0 | 0.00 | 0 | 0.00 |



MUNOTH FINANCIAL SERVICES LIMITED

V INDEBTEDNESS

(Rs in ₹ 000)

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 177.42 | 14,961.85 | 0 | 15,139.27 |
| ii) Interest due but not paid | 0 | | 0 | |
| iii) Interest accrued but not due | 0 | 0 | 0 | |
| Total (i+ii+iii) | 177.42 | 14,961.85 | 0 | 15,139.27 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 0 | 0 | 0 | |
| Reduction | 109.15 | 2900 | 0 | |
| Net Change | 109.15 | 2900 | 0 | 3009.15 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 68.27 | 12,061.85 | 0 | 12,130.12 |
| ii) Interest due but not paid | 0 | 0 | 0 | |
| iii) Interest accrued but not due | 0 | 0 | 0 | |
| Total (i+ii+iii) | 68.27 | 12,061.85 | 0 | 12,130.12 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

In Rs.

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



MUNOTH FINANCIAL SERVICES LIMITED

B. Remuneration to other directors:

In Rs.

| SI.No | Particulars of Remuneration | Name of the Directors | Total Amount |
|-------|--|--|--------------|
| 1 | Independent Directors | | |
| | (a) Fee for attending board committee meetings | NA | NA |
| | (b) Commission | | |
| | (c) Others, please specify | | |
| | Total (1) | NA | NA |
| 2 | Other Non Executive Directors | | |
| | (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 Ceiling as per the Act. | with in overall ceiling as mentioned in Section II of Part II of Schedule V of Act | |

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

In Rs.

| SI. 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. | 6,97,920 | 0 | 6,97,920 |
| | (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 | 6,97,920 | 0 | 6,97,920 |



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 | | | | | |
| Penalty | NA | NA | NA | NA | NA |
| Punishment | NA | NA | NA | NA | NA |
| Compounding | NA | NA | NA | NA | NA |
| B. DIRECTORS | | | | | |
| Penalty | NA | NA | NA | NA | NA |
| Punishment | NA | NA | NA | NA | NA |
| Compounding | NA | NA | NA | NA | NA |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NA | NA | NA | NA | NA |
| Punishment | NA | NA | NA | NA | NA |
| Compounding | NA | NA | NA | NA | NA |

For and on behalf of the Board of Directors

Place : Chennai
Date : May 28, 2018

Jaswant Munoth
Managing Director

Vikas Munoth
Whole Time Director



MANAGEMENT DISCUSSION AND ANALYSIS (MD &A)

Industry Structure and developments:

The Indian market has rallied to be one of the top performing ones in the world in 2017. The reasons were several - easy availability of money globally, India's improving economic fundamentals, the government's demonstration of its serious intent for economic reforms, signs of a turn around in corporate earnings.

The Nifty was up 29 percent at 10,531 points as investors pushed the index to record closing highs in the last session of the year. The introduction of GST and the Insolvency & Bankruptcy Code (IBC) were the most significant moves by the Government. The emergence of the domestic mutual fund industry as a strong counterbalance to foreign funds was an important shift in the country's financial space.

Opportunities & Threats

In the last financial year tremendous developments have taken place in the primary market where the corporates issued fresh securities through public issues as well as private placements. Huge amount of resources had been mobilised by the corporates from the primary market.. BSE and the National Stock Exchange (NSE) had launched SME platforms in March 2012, becoming the only two bourses to offer such a segment in the country. The platforms provide opportunity to SME entrepreneurs to raise equity capital for growth and expansion. It also provides immense opportunity for investors to identify and invest in good SMEs at early stage.

The reversal in corporate earnings trend and expectations of a consumption-led demand boosting economic growth.

There are increasing macro concerns like growing fiscal deficit and government's higher borrowings at a time when its revenue collections are faltering. Crude oil prices are rallying and inflation is rising.

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. India being an emerging economy needs innovations and reforms in the financial market. Innovation and reforms not only add value in the existing technology and system but also lead to decrease in the cost of capital and mitigate the risk exposure of the capital market instruments. There has been a revolutionary change over a period of time. In fact, on almost all the operational and systematic risk management parameters, settlement system, disclosures, accounting standards, the Indian Capital Market is at par with the global standards.

In sum, the Indian stock market surge is different from that in advanced economies in three ways: growth momentum, level and share of profits, and critically the level of real interest rates. Low levels of the latter have been invoked to justify the high valuations in advanced economies. By that token, India's valuations should be much lower. So, what appears to be driving India's valuations are a fall in the ERP reflected in a massive portfolio re-allocation by savers towards equity in the wake of policy-induced reductions in the return on other assets.

But sustaining these valuations will require future growth in the economy and earnings in line with current expectations, and require the portfolio re-allocation to be semi-permanent. Otherwise, the possibility of a correction in them cannot be ruled out.

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



MUNOTH FINANCIAL SERVICES LIMITED

Financial Performance:

REVIEW OF BUSINESS OPERATIONS:

During the financial year 2017-18, the Company's total revenue has increased from Rs. 11033.03 thousands to Rs. 15444.07 thousands in the current year.

The Company has made a profit of Rs.1865.37.thousands in the current financial year as against a loss of Rs 81.06 thousands in the last financial year

Stock Broking

Income from stock broking operations has increased from Rs. 1551.13 Thousands in the previous financial year to Rs. 2346.11 thousands in the current financial year

The broking turnover of the company in cash segment is Rs. 159.75 Crores as compared to Rs. 103.30 Crores in the last financial year and in F & O segment is Rs.18.18 Crores as compared to Rs. 9.49 Crores compared 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. 631.63 Thousands as against Rs. 591.94 Thousands in the previous financial year

Merchant Banking & Portfolio Management Services:

The Company continues to provide PMS services under both discretionary and non – discretionary basis.

The Company's MBD division is providing valuation services in accordance with the requirement of the various acts/statutory requirements.

The Company 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) Income from Merchant Banking & PMS increased to Rs 11,692.64 Thousands as against Rs 7,502.43 Thousands in the previous year.

FUTURE PROSPECTS

The company will continue to focus on Investment Banking, Portfolio Management services and Institutional Broking business.

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.

For and on behalf of the Board of Directors

Place : Chennai
Date : May 28, 2018

Jaswant Munoth
Managing Director

Vikas Munoth
Whole Time Director



MUNOTH FINANCIAL SERVICES LIMITED

ANNEXURE 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

*[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, 2018

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/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our 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/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 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, 2018 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (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 (Share Based Employee Benefits) Regulations, 2014; 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;



MUNOTH FINANCIAL SERVICES LIMITED

- (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, 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. One of the Non-Executive Independent Director – Mr. Ajit Kumbhat was disqualified by ministry of corporate affairs for non filing of financials for the company- M/s.Kumbhat Financial Services Limited against which he has got stay order from High Court of Madras. Currently the company has filed all the forms required and the status of DIN of Mr.Ajit Kumbhat is active as on the date of signing this report.

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.

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

Place : Chennai
Date : 28/05/2018

Name of Company Secretary in practice :
N.SELVAM
FCS No.4318
C P No.:4858



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.

| 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 C K Prusty&Associates

Chartered Accountants

FRN NO: 323220E

CA J RAVESANKAR

Partner

M.NO: 200784

A. G. NANDINI

Company Secretary

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 : 28-05-2018



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 | |

For and on behalf of the Board of Directors

Place : Chennai
Date : May 28, 2018

Jaswant Munoth
Managing Director

Vikas Munoth
Whole Time Director



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 Ms. Lakshika Mehta 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 Ms. Lakshika Mehta NA Ms. A G Nandini: No Increase |
| (iii) | the percentage increase in the median remuneration of employees in the financial year | No increase |
| (iv) | the number of permanent employees on the rolls of company | 13 |
| (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: 21.97 Lakhs. Net profit of the Company for the year Rs. 18.65 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 17/01/2018 (Last traded date) was Rs. 412.36 Lacs (last year as on 03/02/2017 was Rs. 392.85 Lacs) NA The Company had come out with the Initial Public Offer (IPO) in June 1996 is at Rs. 10/- per share, As on 17/01/2018, the market price per share is Rs.8.03/- per share |
| | | |



MUNOTH FINANCIAL SERVICES LIMITED

| | | |
|--------|--|--|
| (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 managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | No increase in 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 -6.97 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.

For and on behalf of the Board of Directors

Place : Chennai
Date : May 28, 2018

Jaswant Munoth
Managing Director

Vikas Munoth
Whole Time Director



MUNOTH FINANCIAL SERVICES LIMITED

CEO AND CFO CERTIFICATION

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, 2018 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.

For and on behalf of the Board of Directors

Place : Chennai
Date : May 28, 2018

Jaswant Munoth
Managing Director & CEO

Vikas Munoth
Whole Time Director & CFO



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MUNOTH FINANCIAL SERVICES LIMITED

REPORT ON THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of MUNOTH FINANCIAL SERVICES LIMITED ("the company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards, specified in the Companies (Indian Accounting Standards) Rules 2015 (as amended) under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. In conducting 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and Other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2018 and its total comprehensive income (Comprising of Profit



MUNOTH FINANCIAL SERVICES LIMITED

and Other Comprehensive income) , statement of changes in equity and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. The Financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1,2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended March 31,2017 and March 31,2016 prepared in accordance with the companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the previous auditors on which they expressed a Qualified opinion dated 23.05.2017 and 30.05.2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

2. As required by the Companies (Auditor's Report) Order, 2016 ("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**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. As required by section 143(3) of the Act, we report, to the extent applicable, 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 purposes 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, the Statement of Profit and Loss (including Other comprehensive income), Statement of Changes in equity, and Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of financial statements.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has 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 by the Company. The Question of delay in transferring such sums does not arise.

For **C K Prusty&Associates.**
Chartered Accountants
FRN: 323220E

CAJ RAVESANKER
Partner
M.No.:200784

Place : Chennai
Date : 28.05.2018



MUNOTH FINANCIAL SERVICES LIMITED

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) The Company has title deeds of immovable properties held in the name of the company.
- (ii) The nature of business of the company is such that it is not required to maintain inventory and therefore the clause 3(ii) of the Order are not applicable to the company and hence not commented upon.
- (iii) According to the information and explanations given to us and on the basis of our examination, the Company has not granted during the year any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 and accordingly, the provisions of Clause 3 (iii) (a), (b) and (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us the company has not made investments or provided guarantees or granted loans and security that would require the compliance of provisions of Sec.185 and Sec.186 of the Act. Accordingly the provisions of Clause (iv) of paragraph 3 of the order are not applicable to the company.
- (v) According to the information and explanations given to us and on the basis of our examination, the company has not accepted any deposits from the public and hence the directive issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the products and services rendered of the company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us in respect of statutory dues and on the basis of our examination of books and records:
 - a) The Company has generally been regular in depositing the undisputed statutory dues, including Provident fund, Employee's state insurance fund, Income Tax, Sales –tax, Wealth Tax, Service tax, GST, Customs duty, Excise duty and other material statutory dues, as applicable, with the appropriate authorities in India.
 - b) There were no undisputed amounts payable in respect of Provident fund, Employee's State Insurance, Income tax, Sales Tax, Service Tax, GST, Excise duty, Customs duty, Value Added tax, Cess and other material Statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us and as based on the records of the company examined by us, there are no dues of Income Tax, Wealth tax, Service Tax, Sales Tax, Customs duty, Excise duty, GST which have not been deposited on account of any disputes.
- viii) According to the information and explanations given to us and on the basis of our examination the company has not defaulted in repayment of any loan either from Financial Institutions, Bank or from the government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the company has not



MUNOTH FINANCIAL SERVICES LIMITED

raised by way of initial public offer or further public offer (including debt instruments) or raised any term loans hence reporting under Clause 3 (ix) of the Order is not applicable to the Company.

- (x) Based on the audit procedures and as per the information and explanations given by the management, the company has not committed any fraud and no fraud on the Company has been committed by its officers or employees during the year.
- (xi) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements , as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made during the year under review and hence this clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause 39(xv) of the Order are not applicable to the Company.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **C K Prusty&Associates.**
Chartered Accountants
FRN: 323220E

CA J RAVESANKER
Partner
M.No.:200784

Place : Chennai
Date : 28.05.2018

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MUNOTH FINANCIAL SERVICES LIMITED ("hereinafter referred to as the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting



MUNOTH FINANCIAL SERVICES LIMITED

based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **C K Prusty&Associates.**
Chartered Accountants
FRN: 323220E

CA J RAVESANKER
Partner
M.No.:200784

Place : Chennai
Date : 28.05.2018



MUNOTH FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

| Particulars | Note | As at March 31, 2018 (Rs. In 000's) | As at March 31, 2017 (Rs. In 000's) | As at March 31, 2016 (Rs. In 000's) |
|---|------|---|---|---|
| ASSETS | | | | |
| Non-Current assets | | | | |
| Property, plant and equipment | 4 | 40,693.57 | 40,966.58 | 41,481.04 |
| Other Intangible Assets | | 197.14 | 307.27 | 502.20 |
| | | <u>40,890.71</u> | <u>41,273.85</u> | <u>41,983.24</u> |
| Financial Assets | | | | |
| (i) Investments | 5 | 49,018.88 | 27,614.93 | 30,118.98 |
| (iii) Others | 6 | 7,009.65 | 7,487.64 | 7,807.58 |
| Deferred Tax Assets (net) | 7 | 507.30 | 369.15 | 270.02 |
| Other non current Assets | 8 | 51.16 | 51.16 | 51.16 |
| | | <u>97,477.70</u> | <u>76,796.73</u> | <u>80,230.98</u> |
| Current assets | | | | |
| Financial Assets | | | | |
| (i) Trade Receivables | 9 | 6,684.36 | 2,637.63 | 1,930.63 |
| (ii) Cash and cash equivalents | 10 | 735.94 | 4,298.19 | 3,640.63 |
| (iii) Bank balances other than (ii) above | 11 | 4,852.95 | 8,027.95 | 8,027.95 |
| (v) Others | 12 | 2,378.28 | 2,477.67 | 3,259.80 |
| Other current assets | 13 | 3,950.08 | 2,283.39 | 2,572.44 |
| | | <u>18,601.61</u> | <u>19,724.83</u> | <u>19,431.45</u> |
| TOTAL ASSETS | | <u>116,079.30</u> | <u>96,521.56</u> | <u>99,662.43</u> |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity Share capital | 14 | 51,353.00 | 51,353.00 | 51,353.00 |
| Other Equity | 15 | 48,681.88 | 25,536.51 | 28,817.51 |
| | | <u>100,034.88</u> | <u>76,889.51</u> | <u>80,170.51</u> |
| Non-Current Liabilities | | | | |
| Financial Liabilities | | | | |
| Provisions | 16 | 1,245.03 | 1,038.56 | 988.80 |
| | | <u>1,245.03</u> | <u>1,038.56</u> | <u>988.80</u> |
| Current Liabilities | | | | |
| Financial Liabilities | | | | |
| (i) Borrowings | 17 | 12,130.12 | 15,139.27 | 15,793.07 |
| (ii) Trade Payables | 18 | 1,265.34 | 2,023.96 | 930.64 |
| (ii) Other Financial Liabilities | 19 | 1,122.87 | 1,325.06 | 1,665.17 |
| Other current liabilities | 20 | 281.05 | 105.21 | 114.24 |
| | | <u>14,799.39</u> | <u>18,593.50</u> | <u>18,503.12</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>116,079.30</u> | <u>96,521.56</u> | <u>99,662.43</u> |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For C K Prusty & Associates

Chartered Accountants

FRN NO: 323220E

CA J RAVESANKAR

Partner

M.NO: 200784

A. G. NANDINI

Company Secretary

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 : 28-05-2018



MUNOTH FINANCIAL SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

| Particulars | Note | As at March 31, 2018 (Rs. in 000's) | As at March 31, 2017 (Rs. in 000's) |
|---|------|---|---|
| Income | | | |
| Revenues from operations | 21 | 14,670.38 | 9,645.50 |
| Other Income | 22 | 490.90 | 691.58 |
| Gain on Fair Value of Investments | | 282.79 | 695.95 |
| Total Income | | <u>15,444.07</u> | <u>11,033.03</u> |
| Expenses | | | |
| Employee benefits expense | 23 | 4,471.63 | 4,715.27 |
| Finance costs | 24 | 171.35 | 253.95 |
| Depreciation and amortization expense | 4 | 453.89 | 709.40 |
| Other expenses | 25 | 8,612.54 | 5,534.61 |
| Loss on Sale of Shares | | 7.44 | - |
| Total Expenses | | <u>13,716.84</u> | <u>11,213.23</u> |
| Profit before tax | | 1,727.23 | (180.20) |
| Tax Expense | | | |
| Current Tax | | - | - |
| Deferred Tax | 7 | (138.15) | (99.13) |
| Profit for the year | | <u>1,865.37</u> | <u>(81.06)</u> |
| Other Comprehensive Income | | | |
| A Items that will not be reclassified to Profit or Loss | | | |
| (i) Remeasurement gain/(Loss) on the Defined Benefit Plans | | - | - |
| (ii) Gain/(Loss) on measuring equity instrument at Fair Value Through Other Comprehensive Income | 5 | 21,280.00 | (3,200.00) |
| (i) Income Tax on (i) above | | - | - |
| A Items will be reclassified to Profit or Loss | | | |
| Other Comprehensive Income | | <u>21,280.00</u> | <u>(3,200.00)</u> |
| Total Comprehensive Income for the year | | <u>23,145.37</u> | <u>(3,281.07)</u> |
| Earnings Per Share | | | |
| - Basic Earning per Share | | 4.51 | (0.64) |
| - Diluted Earning per Share | | 4.51 | (0.64) |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For C K Prusty&Associates
Chartered Accountants
FRN NO: 323220E

For and on behalf of the Board of Directors

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

CA J RAVESANKAR
Partner
M.NO: 200784

A. G. NANDINI
Company Secretary

BHARAT MUNOTH
Director

VIKAS MUNOTH
Whole time Director & CFO

PLACE : CHENNAI
DATE : 28-05-2018



MUNOTH FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

| | March 31, 2018 (Rs. In 000's) | March 31, 2017 (Rs. In 000's) |
|--|----------------------------------|----------------------------------|
| A. <u>Cash flow from operating activities</u> | | |
| Profit After Tax from Continuing Operations | 1,727.23 | (180.20) |
| <u>Adjusted for:</u> | | |
| Other Comprehensive Income | 21,280.00 | (3,200.00) |
| Depreciation and Amortisation Expenses | 453.89 | 709.40 |
| Gratuity | 206.47 | 49.76 |
| Loss on Sale of Investments | 7.44 | - |
| Dividend Income from Investments | 52.06 | 225.98 |
| Operating profit/(loss) before working capital changes | | |
| <u>Changes in Operating assets and liabilities:-</u> | | |
| <i>Adjustments for (increase) / decrease in operating assets:</i> | | |
| Trade receivables | (4,046.73) | (707.00) |
| Other Financial Assets | 99.40 | 782.18 |
| Other current assets | (1,666.70) | 289.05 |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> | | |
| Trade payables | (758.61) | 1,093.32 |
| Short term borrowings | (3,009.14) | (653.80) |
| Other Financial Liabilities | (202.19) | (340.11) |
| Other current liabilities | 175.84 | (9.03) |
| Cash (used)/generated from operations | 14,318.95 | (1,940.45) |
| Income Tax Paid | - | - |
| Net cash flow from / (used in) operating activities (A) | 14,318.95 | (1,940.45) |
| B. <u>Cash flow from investing activities</u> | | |
| Capital expenditure on fixed assets, including CWIP | (70.75) | - |
| Gain on Fair Value of Investments | - | 2,504.05 |
| Gain on Fair Value of Investments which are classified in FVTOCI | (21,280.00) | |
| Gain on Fair Value of Investments which are classified in FVTPL | (282.79) | |
| Purchase of Mutual Funds | (12.65) | |
| Sale of Shares | 164.05 | |
| Decrease in Other Financial Assets | 478.00 | 319.94 |
| Dividend Received | 52.06 | 225.98 |
| Net cash from/(used in) investing activities | (20,952.08) | 3,049.97 |



MUNOTH FINANCIAL SERVICES LIMITED

| | March 31, 2018 (Rs. In 000's) | March 31, 2017 (Rs. In 000's) |
|---|----------------------------------|----------------------------------|
| C. Cash flow from financing activities | | |
| Proceeds from issue of equity shares | - | - |
| Proceeds/(Repayments) of long term unsecured loan to fellow subsidiaries | - | - |
| Repayments of long term borrowings incl. current maturities | - | - |
| Finance cost | - | - |
| Net cash (used in) financing activities | <u>-</u> | <u>-</u> |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | <u>(6,633.14)</u> | <u>1,109.52</u> |
| Cash and cash equivalents at the beginning of the year | 12,326.15 | 3,640.63 |
| Decrease in Cash & Cash equivalents which are existed from more than 3 Months | <u>(4,852.95)</u> | <u>-</u> |
| Cash and cash equivalents at the end of the year | <u>840.06</u> | <u>4,750.15</u> |
| D. Reconciliation of Cash and cash equivalents with the Balance Sheet: | | |
| Cash and bank balances as per the Balance Sheet | 5,588.89 | 12,326.15 |
| Less: Bank balances not considered as Cash and cash equivalents | <u>4,852.95</u> | <u>8,027.95</u> |
| Net Cash and cash equivalents | <u>735.94</u> | <u>4,298.19</u> |
| E. Components of Cash and Cash Equivalents | | |
| Cash in hand | 73.07 | 27.36 |
| Balances with scheduled banks | | |
| - Current account | <u>662.87</u> | <u>4,270.84</u> |
| | <u>735.94</u> | <u>4,298.19</u> |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For C K Prusty&Associates

Chartered Accountants
FRN NO: 323220E

CA J RAVESANKAR

Partner
M.NO: 200784

A. G. NANDINI

Company Secretary

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 : 28-05-2018



MUNOTH FINANCIAL SERVICES LIMITED

Statement of Changes in Equity for the Year ended March 31, 2018

(Rs. In 000's)

(A) Equity Share Capital :

| | |
|---|--------|
| Balance at the beginning of April 1,2016 | 51,353 |
| Changes in equity share capital during the year | - |
| Balance at the end of March 31,2017 | 51,353 |
| Changes in equity share capital during the year | - |
| Balance at the end of March 31,2018 | 51,353 |

(B) Other Equity

(Rs. In 000's)

| Particulars | Securities Premium Reserve | Revaluation Reserve | Capital Reserve (Share Forfeiture amount) | Other Comprehensive Income | Retained Earnings | Total |
|--|----------------------------|---------------------|---|----------------------------|--------------------|------------------|
| Balance as at April 1, 2016 | 20,250.00 | 35,976.57 | 259.50 | - | (372.78) | 56,113.30 |
| Total Comprehensive Income for the Year | - | - | - | - | - | - |
| Transfer to Retained Earnings(Provision for diminution in Equity Shares based on Market Value) | - | - | - | - | (27,295.78) | (27,295.78) |
| Balance as at April 1,2016 | 20,250.00 | 35,976.57 | 259.50 | - | (27,668.56) | 28,817.51 |
| Profit/(Loss) as per Statement of P&L Account During the Year | - | - | - | - | (81.06) | (81.06) |
| Total Comprehensive Income for the Year | - | - | - | (3,200.00) | - | (3,200.00) |
| Balance as at March 31,2017 | 20,250.00 | 35,976.57 | 259.50 | (3,200.00) | (27,749.62) | 25,536.51 |
| Profit/(Loss) as per Statement of P&L Account During the Year | - | - | - | - | 1,865.37 | 1,865.37 |
| Total Comprehensive Income for the Year | - | - | - | 21,280.00 | - | 21,280.00 |
| Balance as at March 31,2018 | 20,250.00 | 35,976.57 | 259.50 | 18,080.00 | (25,884.25) | 48,681.88 |



(Rs. In 000's)

| Particulars | Tangible Assets | | | | | | Intangible Assets | | | Total |
|---|-----------------|-----------|----------------------|----------------------|------------------|-----------|---------------------|----------|------------|-------|
| | Free Hold Land | Buildings | Furniture & Fittings | Vehicles (Motor Car) | Office Equipment | Computers | MSE Membership Card | Software | | |
| Deemed Cost as at April 1,2016 | 38,456.00 | 1,487.97 | 335.26 | 554.28 | 399.14 | 248.39 | 2,000.00 | 502.20 | 43,983.25 | |
| Transferred to Retained Earnings | - | - | - | - | - | - | (2,000.00) | - | (2,000.00) | |
| Cost as at April 1, 2016 | 38,456.00 | 1,487.97 | 335.26 | 554.28 | 399.14 | 248.39 | - | 502.20 | 41,983.25 | |
| Additions | - | - | - | - | - | - | - | - | - | |
| Disposals | - | - | - | - | - | - | - | - | - | |
| Cost as at April 1, 2017 | 38,456.00 | 1,487.97 | 335.26 | 554.28 | 399.14 | 248.39 | - | 502.20 | 41,983.25 | |
| Additions- Office Equipments | - | - | - | - | 63.50 | - | - | - | 63.50 | |
| Additions-Computers & Accessories | - | - | - | - | 7.25 | - | - | - | 7.25 | |
| Cost as at March 31, 2017 | 38,456.00 | 1,487.97 | 335.26 | 554.28 | 469.89 | 248.39 | - | 502.20 | 42,053.99 | |
| Depreciation For 2016-17 | - | 73.04 | 76.58 | 152.31 | 91.60 | 120.95 | - | 194.93 | 709.40 | |
| Depreciation For 2017-18 | - | 69.45 | 49.34 | 95.70 | 83.73 | 45.53 | - | 110.13 | 453.89 | |
| Depreciation on Disposals | - | - | - | - | - | - | - | - | - | |
| Accumulated Depreciation till March 31,2018 | - | 142.49 | 125.91 | 248.01 | 175.34 | 166.48 | - | 305.06 | 1,163.28 | |
| Net Block | - | - | - | - | - | - | - | - | - | |
| As at April 1,2016 | 38,456.00 | 1,487.97 | 335.26 | 554.28 | 399.14 | 248.39 | - | 502.20 | 41,983.24 | |
| As at March 31,2017 | 38,456.00 | 1,414.94 | 258.69 | 401.97 | 307.54 | 127.45 | - | 307.27 | 41,273.85 | |
| As at March 31,2018 | 38,456.00 | 1,345.49 | 209.35 | 306.26 | 294.55 | 81.92 | - | 197.14 | 40,890.71 | |



MUNOTH FINANCIAL SERVICES LIMITED

NON CURRENT ASSETS :

(Rs. In 000's)

5. FINANCIAL ASSETS

| Particulars | Quoted | Unquoted | Total |
|--|-----------------|------------------|------------------|
| Investments (at market Value)01/04/2016 | 26,466.21 | 28,948.55 | 55,414.76 |
| Transferred to Retained Earnings | (22,095.78) | (3,200.00) | (25,295.78) |
| Investments (at market Value)01/04/2016 | 4,370.43 | 25,748.55 | 30,118.98 |
| Profit/(Loss) on Fair Value of Investments | 695.95 | (3,200.00) | (2,504.05) |
| Investments (at market Value)31/03/2017 | 5,066.38 | 22,548.55 | 27,614.93 |
| Profit/(Loss) on Fair Value of Investments | 282.79 | 21,280.00 | 21,562.79 |
| Loss on Sale of Shares | (7.44) | - | (7.44) |
| Consideration Received on sale of Shares | (164.05) | - | (164.05) |
| Reliance Mutual Fund Unit | 12.65 | - | 12.65 |
| Carrying Value of Shares as on 31/03/2018 | 5,190.34 | 43,828.55 | 49,018.88 |

Quoted Investments(Equity Instruments)

| Scrip Name | Quantity | Rate as on 31.03.18 | In Rs. Total Value |
|---|----------|------------------------|-----------------------|
| Agritech india | 2140 | 120.75 | 258,405.00 |
| Antartika ltd | 1000 | 0.90 | 900.00 |
| ATV project | 300 | 9.64 | 2,892.00 |
| Bajaj auto | 148 | 2744.70 | 406,215.60 |
| Biofil Chemicals | 1000 | 13.85 | 13,850.00 |
| BTW Industries | 100 | 10.00 | 1,000.00 |
| Cable Corporations | 1000 | 18.70 | 18,700.00 |
| Celebrity Fashions | 1873 | 14.40 | 26,971.20 |
| Computer Power | 184000 | 1.15 | 211,600.00 |
| CT cotton Yarn | 300 | 10.00 | 3,000.00 |
| Dynavision | 200 | 64.00 | 12,800.00 |
| Essar Steel | 114 | 10.00 | 1,140.00 |
| European software | 600 | 0.50 | 300.00 |
| Fabworth-Uniworth textiles | 100 | 3.00 | 300.00 |
| Haryana petro | 400 | 10.00 | 4,000.00 |
| Hind. Lever ltd. | 1 | 1333.35 | 1,333.35 |
| Information Tech ltd. | 5425 | 4.35 | 23,598.75 |
| Innovation Sec.-ISL Consulting ltd | 1400 | 23.05 | 32,270.00 |
| Ispat Industries (JSW Steel-preference) | 4000 | 9.00 | 36,000.00 |
| Commex technologies ltd | 3636 | 0.50 | 1,818.00 |
| Krishna Life-K Life style | 1000 | 0.19 | 190.00 |
| Kirloskar Electricals | 100 | 28.15 | 2,815.00 |



MUNOTH FINANCIAL SERVICES LIMITED

| Scrip Name | Quantity | Rate as on 31.03.18 | In Rs. Total Value |
|-------------------------------------|-----------------|--------------------------------|-------------------------------|
| L M L | 450 | 5.85 | 2,632.50 |
| Madras Enterprises Limited | 285000 | 1.00 | 285,000.00 |
| MCC finance ltd-Mercantile Ventures | 7450 | 10.45 | 77,852.50 |
| Midland plastics | 200 | 3.70 | 740.00 |
| Munoth Communication Ltd. | 807682 | 1.90 | 1,534,595.80 |
| MW Unitex Ltd. | 105 | 1.79 | 187.95 |
| Natural Stones | 900 | 10.00 | 9,000.00 |
| NEPC India | 200 | 1.40 | 280.00 |
| Network Ltd. | 200 | 5.70 | 1,140.00 |
| Nextagen animation | 2 | 1.78 | 3.56 |
| Omnitech solutions ltd | 2000 | 1.07 | 2,140.00 |
| Origin Agrostar | 170 | 3.80 | 646.00 |
| padmini technology | 700 | 10.00 | 7,000.00 |
| PBA infrastructure | 128 | 11.90 | 1,523.20 |
| Power grid corporation | 78 | 193.25 | 15,073.50 |
| Premier Ltd. | 100 | 19.05 | 1,905.00 |
| Rajratan synthetics | 600 | 10.00 | 6,000.00 |
| Reliance capital | 2400 | 423.30 | 1,015,920.00 |
| Reliance communication | 4377 | 21.75 | 95,199.75 |
| Reliance Home Finance | 2400 | 59.60 | 143,040.00 |
| Reliance industries | 500 | 882.70 | 441,350.00 |
| Reliance power | 2500 | 36.10 | 90,250.00 |
| Rishab financial services | 18000 | 3.04 | 54,720.00 |
| S Kumar online | 1000 | 1.18 | 1,180.00 |
| SAL Steel | 10000 | 7.35 | 73,500.00 |
| Sanghi ploy | 300 | 10.00 | 3,000.00 |
| Silver Tech | 6 | 2.19 | 13.14 |
| State bank of india | 130 | 249.90 | 32,487.00 |
| Sudati hoisery-Suditi industries | 300 | 60.30 | 18,090.00 |
| Super forgings | 200 | 0.95 | 190.00 |
| TNPL | 100 | 347.85 | 34,785.00 |
| Uniworth International | 150 | 0.80 | 120.00 |
| Vantel Tech | 50 | 1.50 | 75.00 |
| Videocon VCR | 100 | 13.05 | 1,305.00 |
| Vikas WSP | 3000 | 12.45 | 37,350.00 |
| Vishal Exports | 1000 | 0.45 | 450.00 |
| Wellwin | 100 | 3.15 | 315.00 |
| Arihant cotsyn | 100 | 0.40 | 40.00 |
| Bhirwani Denim | 200 | 6.25 | 1,250.00 |
| Blue Bend petro | 350 | 3.00 | 1,050.00 |
| Concert spices | 100 | 3.00 | 300.00 |
| Conoslidated Fibre | 100 | 10.00 | 1,000.00 |
| Coromandel finance | 900 | 7.00 | 6,300.00 |



MUNOTH FINANCIAL SERVICES LIMITED

| Scrip Name | Quantity | Rate as on 31.03.18 | In Rs. Total Value |
|---|-----------------|--------------------------------|-------------------------------|
| Deccan Granites | 100 | 11.00 | 1,100.00 |
| DSQ Biotech | 170 | 6.60 | 1,122.00 |
| Golden Textiles | 1300 | 3.00 | 3,900.00 |
| Gujarat Cotex | 300 | 3.90 | 1,170.00 |
| Gujrat ambuja cotspin | 400 | 8.00 | 3,200.00 |
| Induj infotech | 105 | 1.00 | 105.00 |
| Jaswal Granites | 600 | 5.17 | 3,100.00 |
| Jay flash | 19500 | 3.00 | 58,500.00 |
| Kumar metallurgical | 300 | 2.50 | 750.00 |
| Modern Synthetics | 1150 | 12.95 | 14,893.00 |
| Modi threads | 200 | 4.50 | 900.00 |
| Pan asia industires | 100 | 12.00 | 1,200.00 |
| Premier planations | 100 | 2.00 | 200.00 |
| Rathi alloy and steel | 300 | 4.50 | 1,350.00 |
| Sarala Gems | 200 | 3.25 | 650.00 |
| Siris Ltd. | 200 | 84.23 | 16,846.00 |
| Tirumalai Textiles | 400 | 5.00 | 2,000.00 |
| TN sponge | 100 | 4.00 | 400.00 |
| Veena textiles | 200 | 2.50 | 500.00 |
| Reliance Mutual Fund Unit | 8271 | 1.53 | 12,651.00 |
| Bafna Spinning | 500 | 0.07 | 35.00 |
| Bonanza Pharma | 100 | 21 | 2,100.00 |
| Oswal Chemicals | 350 | 13.05 | 4,567.50 |
| Total value | | | 5,190,338 |
| Unquoted Investments | | | |
| Arihant Fabrics | 50 | 2 | 100 |
| Benaras Bank | 87490 | 12.71 | 1111950 |
| Deve Sugar | 9400 | 150 | 1410000 |
| Parvathi Hi Tech | 10000 | 10 | 100000 |
| Rayalaseema Paper Mills | 1120000 | 29 | 32480000 |
| Rhino Tyres | 200 | 5 | 1000 |
| Madras Enterprises Ltd | 285000 | 0.052632 | 15000 |
| India Mobile Network P Ltd | 50000 | 10 | 500000 |
| South India Chemicals & Leasing P Ltd | 7500 | 320 | 2400000 |
| Sankeshwara Finance & Investments P Ltd | 20000 | 100 | 2000000 |
| Misrimal Navajee Estates P Ltd | 5000 | 100 | 500000 |
| Munoth Industries Limited | 450000 | 7 | 3150000 |
| Munoth Negwindfarm P Ltd | 59000 | 2.720254 | 160495 |
| Total value | | | 43,828,545 |



MUNOTH FINANCIAL SERVICES LIMITED

6. NON CURRENT FINANCIAL ASSETS - OTHERS (Rs. In 000's)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---------------------|-------------------------|-------------------------|------------------------|
| a) Secured Deposits | 5,766.86 | 5,745.01 | 5,910.01 |
| b) Prepaid Expenses | 1,242.79 | 1,742.64 | 1,897.57 |
| c) Other Advances | - | - | - |
| Total | 7,009.65 | 7,487.64 | 7,807.58 |

7. DEFERRED TAX LIABILITIES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---------------------------|-------------------------|-------------------------|------------------------|
| o/p Balance | 369.15 | 270.02 | 116.72 |
| Provision during the Year | 138.15 | 99.13 | 153.31 |
| Closing Balance | 507.30 | 369.15 | 270.02 |

8. OTHER NON CURRENT ASSETS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| a) Balance With Government Authorities | | | |
| - MAT Credit | 51.16 | 51.16 | 51.16 |
| b) Others | - | - | - |
| Total | 51.16 | 51.16 | 51.16 |

CURRENT FINANCIAL ASSETS

9. TRADE RECEIVABLES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Secured Considered Good | | | |
| Outstanding for a period exceeding six month from due date of payment | 1,081.50 | 1,295.02 | 1,263.81 |
| Other Debts | 5,602.86 | 1,342.61 | 666.82 |
| Unsecured Considered Good | | | |
| Outstanding for a period exceeding sixmonths from date of payment | | | |
| Other Debts | | | |
| Total | 6,684.36 | 2,637.63 | 1,930.63 |



MUNOTH FINANCIAL SERVICES LIMITED

10. CASH AND CASH EQUIVALENTS

(Rs. In 000's)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--------------------------|-------------------------|-------------------------|------------------------|
| i) Cash on Hand | 73.07 | 27.36 | 576.24 |
| ii) Balance With Banks | | | |
| a) In Current Accounts | 662.87 | 4,270.84 | 3,064.39 |
| b) In Deposit Accounts * | | | |
| Total | 735.94 | 4,298.19 | 3,640.63 |

11. BANK BALANCES OTHER THAN ABOVE

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--------------------------|-------------------------|-------------------------|------------------------|
| I) IN Deposit Accounts # | 4,852.95 | 8,027.95 | 8,027.95 |
| Total | 4,852.95 | 8,027.95 | 8,027.95 |

* This represents deposits with original maturity of less than 3Months

This represents deposits with original maturity of More than 3Months

12. OTHERS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|------------------------------------|-------------------------|-------------------------|------------------------|
| Advance to staff | 196.47 | 191.64 | 511.23 |
| Interest Accrued on FD | 17.48 | 6.75 | 47.09 |
| Interest Receivable - Federal Bank | - | - | 337.02 |
| DP AMC and Transactions Receivable | 2,164.34 | 2,279.28 | 2,364.46 |
| Total | 2,378.28 | 2,477.67 | 3,259.80 |

13. OTHER CURRENT ASSETS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|-------------------------------|-------------------------|-------------------------|------------------------|
| Prepaid Expenses | 200.00 | 161.53 | 240.31 |
| Income Tax Refund Receivable | 1,092.22 | 1,485.13 | 1,485.13 |
| TDS Receivable | 1,862.09 | 468.63 | 605.41 |
| Service Tax Input | 175.66 | 168.10 | 241.58 |
| AMC Charges Receivable | 91.40 | - | - |
| Statutory Dues | 525.88 | - | - |
| Apex Softcell (India) Pvt Ltd | 2.80 | | |
| NEFT-RTGS Charges Receivable | 0.04 | | |
| Total | 3,950.08 | 2,283.39 | 2,572.44 |



MUNOTH FINANCIAL SERVICES LIMITED

14. EQUITY SHARE CAPITAL

(Rs. In 000's)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| (a) Authorised Share Capital | | | |
| 1,00,00,000 Equity shares of Rs.10/- each with voting rights | 100,000 | 100,000 | 100,000 |
| (b) Issued, Subscribed | | | |
| and Fully Paid up Shares | | | |
| Equity shares of Rs.10/- each with Voting rights * | | | 51,612.50 |
| Profit on Forfeiture of Shares Transferred to Capital Reserve | | | (259.50) |
| Equity Shares Issued, Called up and Fully Paid up | 51,353.00 | 51,353.00 | 51,353.00 |
| Total | 51,353.00 | 51,353.00 | 51,353.00 |

* 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 th reporting period

| | | | |
|--------------------------------------|-------|-------|-------|
| Opening Number of Shares Outstanding | 5,135 | 5,135 | 5,135 |
| Closing Number of Shares Outstanding | 5,135 | 5,135 | 5,135 |

(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 31.03.2018 (31.03.2017- 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 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 | March 31, 2018 | | March 31, 2017 | | April 1, 2016 | |
|--------------------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| | No of Shares held | % of Holding | No of Shares held | % of Holding | No of Shares held | % of Holding |
| Lal Chand Munoth | 687,100 | 13.38% | 687,100 | 13.38% | 662,100 | 12.89% |
| Jaswant Munoth | 815,200 | 15.87% | 815,200 | 15.87% | 780,200 | 15.19% |
| Bharat Munoth | 717,900 | 13.98% | 717,900 | 13.98% | 682,900 | 13.30% |
| Vikas Munoth | 994,500 | 19.37% | 994,500 | 19.37% | 964,500 | 18.78% |
| Munoth Communication Ltd | 1,006,100 | 19.59% | 1,006,100 | 19.59% | 1,006,100 | 19.59% |



MUNOTH FINANCIAL SERVICES LIMITED

15. OTHER EQUITY

(Rs. In 000's)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Securities Premium Reserve | 20,250 | 20,250 | 20,250 |
| Revaluation Reserve | 35,977 | 35,977 | 35,977 |
| Capital Reserve | 260 | 260 | 260 |
| Other Comprehensive Income | 18,080 | (3,200) | - |
| Retained Earnings | (25,884) | (27,750) | (27,669) |
| Total | 48,742 | 25,595 | 28,818 |
| a) Securities Premium Reserve | | | |
| Balance at the beginning and end of the year | 20,250 | 20,250 | 20,250 |
| b) Revaluation Reserve | | | |
| Balance at the beginning and end of the year | 35,977 | 35,977 | 35,977 |
| c) Capital Reserve | | | |
| Balance at the beginning and end of the year | 260 | 260 | 260 |
| d) Other Comprehensive Income | | | |
| Balance at the Beginning of the Year | (3,200) | - | - |
| Net Profit for the Period | 21,280 | (3,200) | - |
| Deductions/ Adjustments during the year | - | - | - |
| Balance at the end of the Year | 18,080 | (3,200) | - |
| e) Retained Earnings | | | |
| Balance at the beginning of the Year | (27,750) | (27,669) | (373) |
| Transferred to Retained earnings | - | - | (27,296) |
| Net profit for the period | 1,865 | (81) | - |
| Transfer from other Comprehensive Income | - | - | - |
| Balance at the End of the Year | (25,884) | (27,750) | (27,669) |

NON CURRENT LIABILITIES

16. PROVISIONS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Provision for Employee Benefits (Gratuity) | 1,245.03 | 1,038.56 | 988.80 |
| Total | 1,245.03 | 1,038.56 | 988.80 |



MUNOTH FINANCIAL SERVICES LIMITED

CURRENT LIABILITIES

(Rs. In 000's)

17. FINANCIAL LIABILITIES - BORROWINGS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Secured Borrowings | | | |
| Car Loan From Cholamandalam Finance (NBFC) | 68.28 | 177.42 | 276.22 |
| Unsecured Borrowings | | | |
| Loan From Directors | 12,061.85 | 14,961.85 | 15,516.85 |
| Total | 12,130.12 | 15,139.27 | 15,793.07 |

18. FINANCIAL LIABILITIES - TRADE PAYABLES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Total outstanding dues of Micro enterprises and Small Enterprises | - | - | - |
| Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises | 1,265.34 | 2,023.96 | 930.64 |
| Total | 1,265.34 | 2,023.96 | 930.64 |

1. These are carried at amortised cost.

Note :

- According to the information available with the Company regarding the status of the suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006', no amount is overdue as at the reporting date to Micro, Small and Medium Enterprises Development Act, 2006', no amount is overdue as at the reporting date, to Micro and Small Enterprises on account of principal interest.
- Trade payables are recognised at their original invoiced amounts which represent their fair values on initial recognition. Trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

19. FINANCIAL LIABILITIES - OTHERS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|-----------------------------------|-------------------------|-------------------------|------------------------|
| a) Margin Money from Clients | 1,069.66 | 981.99 | 1,072.30 |
| b) Other Payables | 53.22 | 343.07 | 567.87 |
| c) Directors Remuneration Payable | - | - | 25.00 |
| Total | 1,122.87 | 1,325.06 | 1,665.17 |

20. OTHER CURRENT LIABILITIES

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|-------------------------------|-------------------------|-------------------------|------------------------|
| a) Statutory Liabilities | - | 105.21 | 114.24 |
| b) Outstanding Expenses | 261.97 | - | - |
| C) Income Received in Advance | 19.09 | - | - |
| Total | 281.05 | 105.21 | 114.24 |



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21. REVENUE FROM OPERATIONS

(Rs. In 000's)

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--------------------------------|--------------------------------------|--------------------------------------|
| DP and AMC Transaction Charges | 631.63 | 591.94 |
| Merchant Banking and PMS | 11,692.64 | 7,502.43 |
| Brokerage & Turnover Charges | 2,346.11 | 1,551.13 |
| Total | 14,670.38 | 9,645.50 |

22. OTHER INCOME

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|------------------------------|--------------------------------------|--------------------------------------|
| a) Interest From Banks | 427.34 | 435.59 |
| b) Dividend Receipts | 39.41 | 225.98 |
| c) Dividend from Mutual Fund | 12.65 | - |
| d) Interest on Tax Refund | - | 18.46 |
| e) Others - Miscellaneous | 11.51 | 11.56 |
| Total | 490.90 | 691.58 |

23. EMPLOYEE BENEFIT EXPENSE

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---------------------------|--------------------------------------|--------------------------------------|
| Salaries, Wages and Bonus | | |
| - Directors | 1,500.00 | 1,500.00 |
| - Others | 2,450.70 | 2,781.08 |
| | 3,950.70 | 4,281.08 |
| Contributions To- | | |
| Provident Fund | 180.77 | 229.79 |
| Gratuity Expense | 206.47 | 49.76 |
| Staff Welfare Expense | 133.69 | 154.64 |
| Total | 4,471.63 | 4,715.27 |

24. FINANCE COST

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|------------------------|--------------------------------------|--------------------------------------|
| Interest On Borrowings | 16.12 | 28.81 |
| Bank Guarantee Charges | 106.03 | 220.24 |
| Bank Charges | 49.20 | 4.90 |
| Total | 171.35 | 253.95 |



MUNOTH FINANCIAL SERVICES LIMITED

25. OTHER EXPENSES

(Rs. In 000's)

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Power and fuel | 809.17 | 518.61 |
| Repairs and maintenance | | |
| - Machinery | 414.29 | 338.40 |
| - Others | 279.01 | 665.60 |
| Investment Manager Fund Expense | 464.70 | 468.60 |
| Insurance | 64.89 | 46.40 |
| Bad Debts | - | 502.02 |
| Rates and taxes | - | - |
| Telephone Charges | 106.09 | 214.39 |
| Travelling and conveyance | 433.57 | 127.99 |
| Printing and stationery | 229.31 | 189.53 |
| Business promotion | 110.58 | 150.18 |
| Legal and professional fees | 160.60 | 67.39 |
| NSDL Transaction charges | 203.93 | 283.93 |
| CDSL Charges | 12.08 | - |
| Vsat charges | 16.71 | 15.23 |
| Registration Fees | 178.82 | - |
| Registration Fees PMS/MBD | 688.20 | 466.67 |
| Lease Line charges | 84.03 | 86.96 |
| Listing Chrges | 272.50 | |
| NSE Transaction charges - Equity & F&O | 9.62 | 184.71 |
| Prior Period Items | | 109.01 |
| Annual Subscription fees | 14.15 | 306.45 |
| Clearing & Settlement charges | - | 2.63 |
| Professional tax | - | 2.19 |
| Marketing Expenses-IPO | 3,350.00 | - |
| Annual Custodial Fees | 50.00 | |
| General Expense | 363.34 | 313.66 |
| Fines and Penalties | 7.24 | 2.55 |
| Advertisement Expense | 34.67 | 165.00 |
| Board Meeting Expenses | 3.39 | |
| Property Tax | 27.63 | |
| SEBI Turnover Charges | 1.67 | |
| SUB Brokerage | 82.50 | |
| Share Transfer Expenses | 43.50 | |
| Auditor's Remuneration : | | - |
| - Statutory Audit Fee | 75.00 | 75.00 |
| - Limited Review | - | 13.50 |
| - Certification | 5.30 | 38.00 |
| Miscellaneous expenses | 16.07 | 180.03 |
| Total | 8,612.54 | 5,534.61 |



MUNOTH FINANCIAL SERVICES LIMITED

(Rs. In 000's)

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Basic and Diluted | | |
| Net Profit/(Loss) for the year from Continuing Operations attributable to the equity shareholders | 23,145 | (3,281) |
| Weighted average number of equity shares | 5,135 | 5,135 |
| Par Value per share (Rs.) | 10 | 10 |
| Earnings per Share (Rs.) | 4.51 | (0.64) |

As per our report of even date attached

For C K Prusty&Associates

Chartered Accountants
FRN NO: 323220E

CA J RAVESANKAR

Partner
M.NO: 200784

A. G. NANDINI

Company Secretary

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 : 28-05-2018



Note 1: NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

1. Background of the Company

Munoth Financial Services Limited is a public limited company domiciled in India and Incorporated during the Year 1990, under the provisions of Companies Act, 1956. Its Shares are listed on Bombay Stock Exchange. The Company belongs to the reputed Munoth Group, Chennai. The Company primarily focuses on Stock Broking, DP Operations, Portfolio Management Services, Merchant Banking, Valuation and Other Advisory Services.

2.1. Basis of Preparation

Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31st March,2017, were prepared in accordance with the Companies (Accounting Standards) Rules. 2006. notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101 First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 2.5.

These financial statements were authorised for issue by the Company's Board of Directors on 28th May 2018.

Details of the Company's accounting policies are included in Note 2.2.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All the financial information have been presented in thousands of Indian Rupees as otherwise stated.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

| Items | Measurement basis |
|--|-------------------|
| Certain financial assets and liabilities | Fair value |

Use of Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

2.2. Significant Accounting Policies:

a) Current versus non-current classification

The Company presents assets and liabilities in the restated standalone statement of assets and liabilities based on current/ non-current classification.



An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle held primarily for the purpose of rendering services
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of rendering services
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Fair value measurement

The Company measures financial instruments at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the restated standalone financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



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- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the restated standalone financial information on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value. External valuer are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

c) **Property, Plant and Equipment**

On transition to IND AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment. The Company has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

| Asset Class | Useful Life(No. of years) |
|----------------------|----------------------------------|
| Building | 60 |
| Plant & Machinery | 10 |
| Furniture & Fixtures | 15 |
| Office Equipments | 10 |
| Office Equipment | 3 |
| Vehicles | 10 |

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any



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gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end, and adjusted prospectively, if appropriate, as they are change in estimates.

After impairment if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. No Depreciation is charged on the Discarded Assets.

d) Investment properties

On transition to IND AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP, and uses that carrying value as the deemed cost of such Investment properties. The Company has provided the depreciation as per the rates prescribed in Schedule II of the Companies Act 2013.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of Derecognition.

e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair valueless costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.



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Impairment losses including impairment on inventories are recognized in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f) Borrowing costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds use to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the period/year. Capitalization of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortized cost of a financial liability after considering all the contractual terms of the financial instrument.

g) Inventory

The Company is in the business of providing Stock Broking, DP Operations, Portfolio Management Services, Merchant Banking, Valuation and Other Advisory Services and does not have any physical inventories.

h) Revenue Recognition

All the incomes of the Company are accounted for on accrual basis.

Dividend income from investments in various companies if any is accounted on receipt basis.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

i) Income Taxes

Taxes comprise current income tax and deferred tax.



Current income tax

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets (including MAT credit) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

j) Expenses :

Goods & Service Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of value added taxes paid such as GST, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

k) Provisions General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

l) Retirement and other employee benefits

Retirement benefit in the form of provident fund and employee state insurance are defined contribution schemes. The group has no obligation, other than the contribution payable to the provident fund and employee state insurance. The group recognizes contribution payable to the provident fund and employee state insurance scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the yearend date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the yearend date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the period/year.

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



Financial assets

Initial recognition and measurement

All financial assets (other than equity investment in subsidiaries and associates) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments measured at fair value through profit and loss account (FVTPL)

Equity instruments

All equity investments (other than equity investments in subsidiaries and associates) in scope of Ind AS 109 are measured at fair value. Equity instruments included within the FVTOCI category are measured at fair value with all changes recognized in the other comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; And either
 - (a) The Company has transferred substantially all the risks and rewards of the asset, or
 - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for



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impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.



This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its recognized insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognized in profit or loss.

If a financial guarantee is an integral element of debts held by the entity, it is not accounted for separately.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

n) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

o) Cash flow statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

p) Foreign Currency transactions

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate at the time of the transaction.

q) Earnings per Share

Basic earnings per share are calculated by dividing the net profit for the year by the weighted average number of equity shares outstanding during the year. As at the reporting date, the Company has not issued any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

2.3 Segment information

The Company is operating in the Stock Broking, DP Operations, Portfolio Management Services, Merchant Banking, Valuation and Other Advisory Services. The entity's chief operating decision maker consider the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments.



2.4 Dividends

Company has not declared any dividend during the current financial year.

2.5 (i) Transition to Ind AS

As stated in Note 2.1, these are the Company's first financial statements prepared in accordance with Ind AS for the year ended March 31, 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP')

The accounting policies set out in Note 2.2 have been applied in preparing these financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 1, 2016.

In preparing its Ind AS balance sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Mandatory exceptions availed

In preparing these financial statements, the *Company* has applied the below mentioned mandatory exceptions.

(i) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are *consistent* with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Impairment of financial assets based on the expected credit loss model
- Determination of the discounted value for financial instruments carried at amortized cost.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of Financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.



MUNOTH FINANCIAL SERVICES LIMITED

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

(iii) **A. Reconciliation between previous GAAP and Ind AS with notes**

(Rs. In 000's)

| PARTICULARS | Notes | As at 31 March 2017 | As at 1 April 2016 |
|--|-------|------------------------|-----------------------|
| Equity as reported under previous GAAP | | 54939.367 | 55795.032 |
| <u>Ind AS: Adjustments increase (decrease):</u> | | | |
| Opening Balance Adjustments | | | |
| Prior Period Adjustment | (a) | - | |
| Fair Value Adjustment of Equity Investment | (b) | (30495.78) | (27,295.78) |
| Dividend | (c) | - | - |
| Tax on Dividend | (c) | - | - |
| Forfeiture of Shares | (d) | 259.50 | 259.50 |
| Deferred Tax | (e) | 137.47 | 58.77 |
| Income on Fair Value Adjustment – Security Deposit from Customers | (f) | - | - |
| Interest cost on Fair Value Adjustment – Security Deposit from Customers | (f) | - | - |
| Equity as reported under IND AS | | 25536.51 | 28,817.51 |

| PARTICULARS | Notes | Year Ended 31 March 2017 |
|--|-------|-----------------------------|
| Profit or Loss as per previous GAAP | | (855.71) |
| <u>Ind AS: Adjustments increase (decrease):</u> | | |
| Prior Period Adjustment | (a) | - |
| Fair Value Adjustment of Equity Investment | (b) | 695.95 |
| Deferred tax | (e) | 78.705 |
| Income on Fair Value Adjustment – Security Deposit from Customers | (f) | - |
| Interest cost on Fair Value Adjustment – Security Deposit from Customers | (f) | - |
| Transferred to OCI | (g) | - |
| Total adjustment to profit or loss | | 774.655 |
| Profit or Loss under Ind AS | | (81.06) |
| Other comprehensive income | (g) | (3200.00) |
| Total comprehensive income under Ind AS | | (3281.07) |

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

Material adjustments to the Statement of Cash Flows**(Rs. In 000's)**

| PARTICULARS | | Year ended 31 March 2017 | | |
|---|-----------|--------------------------|--------------------|-----------|
| | | Previous GAAP | Ind AS Adjustments | Ind AS |
| Net cash flows from operating activities | (a) & (c) | 249.945 | (2,516.38) | (2166.43) |
| Net cash flows from investing activities | (a) | 661.568 | 2,162.42 | 2,823.99 |
| Net cash flows from financing activities | (c) | (253.949) | 253.949 | - |
| Net increase (decrease) in cash and cash equivalents | | 657.564 | - | 657.55 |
| Cash and cash equivalents at beginning of period | | 11668.586 | - | 3,640.63 |
| Cash and cash equivalents at end of period | | 12326.150 | - | 4,298.19 |

B. Notes on reconciliation**(a) Fair Value adjustment of Equity Instrument:-**

As per Ind AS 109 Equity instruments held in other entities has to be revalued at its fair Value. Company has revalued its equity instruments at its fair value and provided for its gain on fair value measurement in the financials.

(Rs. In 000's)

| Financial assets measured at Fair value | Fair Value as at | | |
|---|------------------|------------|-------------|
| | 31-Mar-18 | 31-Mar-17 | 01-Apr-16 |
| Financial Assets | | | |
| Investments | | | |
| Equity Investments | | | |
| - Opening Value | 27,614.93 | 30,118.98 | 55,254.26 |
| - Add/(Less) Fair Value Adjustment | 21,403.96 | (2,504.05) | (25,135.29) |
| - Closing Value | 49,018.88 | 27,614.93 | 30,118.98 |

(b) Forfeiture of Shares:-

Profit on forfeiture of shares (Number of Shares-90,700 & Amount of forfeiture Rs.2, 59,500) has been transferred from Share capital to capital reserve in the opening balance sheet which is represented as at 1st April 2016.

**Financial Assets and Financial Liabilities are regrouped in order to comply with IND-AS.

3. Notes to Accounts**3.1 Contingent Liabilities not provided for in respect of:****(Rs. In 000's)**

| Particulars | As at 31 st March 2018 | As at 31 st March 2017 |
|---|-----------------------------------|-----------------------------------|
| Guarantees issued by the company's banker - Guarantee given by HDFC Bank & Federal Bank to Stock Exchanges | 50,00 | 11,350 |

3.2 Related Party Disclosures

Details of transaction between the Company and its related parties are disclosed below:



MUNOTH FINANCIAL SERVICES LIMITED

Compensation of key managerial personnel

(Rs. In 000's)

The remuneration of directors and other members of key managerial personnel during the year was as follows:

| Particulars | Year ended 31/03/2018 | | Year ended 31/03/2017 | |
|--------------------------------|-----------------------|--------|-----------------------|--------|
| | MD | CS | MD | CS |
| Short-term employee benefits | 1500 | 605.88 | 1500 | 605.88 |
| Post-employment benefits (EPF) | - | 92.04 | - | 92.04 |

3.3 Gratuity:

The number of persons employed by the Company falls below the limits (at any time during the year) prescribed under the Payment of Gratuity Act, 1972 and being hence not covered under the Payment of Gratuity Act, the Company does not provided for Gratuity Liability based on actuarial Valuation. under such circumstances the Company made provision for Gratuity Liability on the basis of estimates made by the Company.

3.4 Earnings per share:

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|-------------------------------------|-------------------------------------|
| Basic Earnings per share | Per Share | Per Share |
| From continuing operations | 4.51 | (0.64) |
| From discontinuing operations | - | - |
| Total basic earnings per share | 4.51 | (0.64) |
| Diluted Earnings per share | | |
| From continuing operations | 4.51 | (0.64) |
| From discontinuing operations | - | - |
| Total diluted earnings per share | 4.51 | (0.64) |

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March, 2017 |
|--|-------------------------------------|--------------------------------------|
| Profit / (loss) for the year attributable to owners of the Company | 23145.37 | (3281.07) |
| Weighted average number of equity shares | 51,35,300 | 51,35,300 |
| Earnings per share from continuing operations - Basic | 4.51 | (0.64) |

3.5 The amounts in the financial statements are presented in thousands of Indian Rupee, unless stated otherwise.

As per our report of even date attached

For C K Prusty & Associates

Chartered Accountants

FRN NO: 323220E

CA J RAVESANKAR

Partner

M.NO: 200784

A. G. NANDINI

Company Secretary

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 : 28-05-2018

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

27th 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 Seventh Annual General Meeting of the Company held on Thursday, 20th September, 2018, at 11.30 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

27th 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

1. Name :

Address :

E-mail ID : Signature :or failing him,
2. Name :

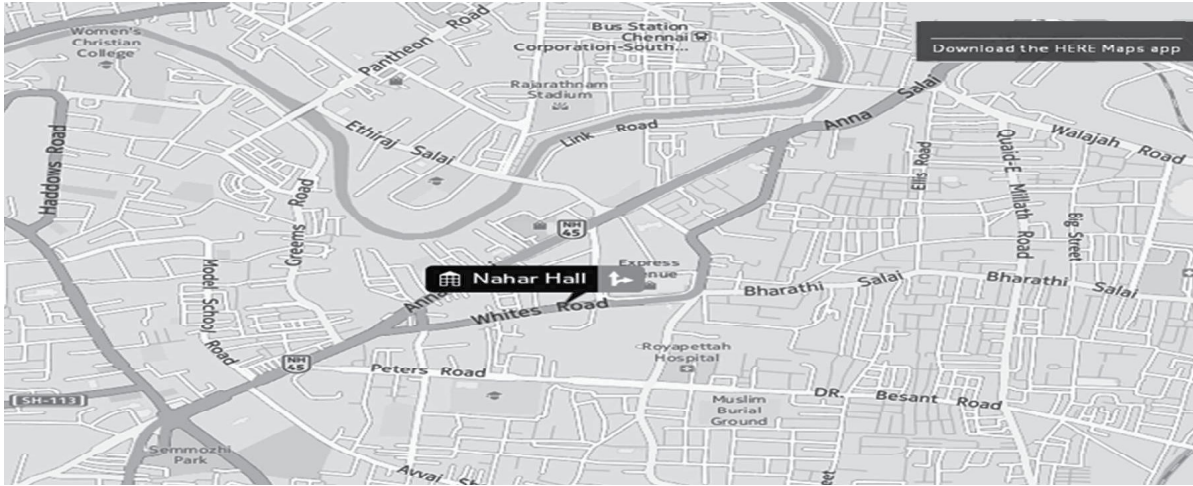
Address :

E-mail ID : Signature :or failing him,
3. 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 27th Annual general meeting of the company, to be held on Thursday 20th September, 2018, at 11.30 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 | Opitonal | |
|---------|--|----------|---------|
| | | For | Against |
| | Ordinary Business | | |
| 1 | Adopt the Audited Financial statements of the Company for the financial year ended March 31, 2018 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 Cash flow Statement as on that date and the Reports of the Directors and Auditors thereon. | | |
| 2. | Re-appointment of Mr. Vikas Munoth (DIN : 00769366) as Director who retires by rotation | | |
| 3. | Re-appointment of Mr. Lalchand Munoth (DIN : 01693640) as Director who retires by rotation | | |
| 4. | Re-appointment of Mr. Bharat Munoth (DIN : 00769588) as Director who retires by rotation | | |
| | Special Business | | |
| 5 | Reappointment of Mr. Vikas Munoth (DIN : 00769366), as Whole Time Director of the Company | | |

Signed this day of 2018

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 efore 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.

To,

If undelivered please return to :

MUNOTH FINANCIAL SERVICES LIMITED

MUNOTH CENTRE,

3rd Floor, Suite No. 46 & 47

343, Triplicane High Road,

Chennai - 600 005.