





Munoth Financial Services Limited

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FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	MUNOTH FINANCIAL SERVICES LIMITED
2	Annual Financial statements for the year ended	31 st March 2013
3	Type of Audit observation	Matter of Emphasis
4	Frequency of observation	Repetitive since Audit report for the year ended 31/03/2001
	Relevant Observation Note and page no	Page No. 24 opinion 2(f)
	Management Response to the qualification in Directors report page no:10	Page No. 29 Note 2(6)
5	To be signed by	
	* Managing Director	For MUNOTH FINANCIAL SERVICES LIMITED  JASWANT MUNOTH MANAGING DIRECTOR 

- Member of National Stock Exchange (CM INB 230803634)
- Member of National Stock Exchange Derivatives (INF 230803634)
- Member Madras Stock Exchange (INB 040803634)
- Dealer : OTCEI (INB 200803630)



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

**MUNOTH FINANCIAL SERVICES LIMITED****Balance Sheet as at 31 March, 2013****(In Rs)**

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	51,612,500	51,612,500
(b) Reserves and surplus	4	<u>60,409,130</u>	<u>26,338,223</u>
		<u>112,021,630</u>	<u>77,950,723</u>
2 Non-current liabilities			
(a) Deferred tax liability	5	70,515	112,312
(b) Long-term provisions	6	<u>586,772</u>	<u>561,083</u>
		<u>657,288</u>	<u>673,395</u>
3 Current liabilities			
(a) Trade payables	7	45,750	386,260
(b) Other current liabilities	8	19,017,972	18,190,997
(c) Short-term provisions	9	<u>654,330</u>	<u>364,487</u>
		<u>19,718,051</u>	<u>18,941,745</u>
TOTAL		<u>132,396,968</u>	<u>97,565,863</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	42,072,840	6,563,500
(ii) Intangible assets	10	<u>2,096,814</u>	<u>2,161,356</u>
		<u>44,169,654</u>	<u>8,724,856</u>
(b) Non-current investments	11	61,218,852	62,155,635
(c) Long-term loans and advances	12	<u>10,602,613</u>	<u>9,082,354</u>
		<u>71,821,465</u>	<u>71,237,989</u>
2 Current assets			
(a) Trade receivables	13	1,468,265	5,267,164
(b) Cash and cash equivalents	14	9,803,235	8,686,234
(c) Short-term loans and advances	15	1,331,591	930,066
(d) Other current assets	16	<u>3,802,757</u>	<u>2,719,553</u>
		<u>16,405,848</u>	<u>17,603,017</u>
TOTAL		<u>132,396,968</u>	<u>97,565,863</u>

Summary of Significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For MARDIA & ASSOCIATESChartered Accountants
Firm Reg No: 007888S**(MANISH MARDIA)**Proprietor
M. No 205307PLACE : CHENNAI
DATE :**For and on behalf of the Board of Directors****LALCHAND MUNOTH**
Chairman**BHARAT MUNOTH**
Managing Director**JASWANT MUNOTH**
Managing Director**A. G. NANDINI**
Company Secretary

**MUNOTH FINANCIAL SERVICES LIMITED****Statement of Profit and Loss for the year ended 31 March, 2013** (In Rs)

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
I Revenue from operations	17	8,633,573	4,794,303
II Other income	18	1,401,728	787,718
III Total revenue (I + II)		<u>10,035,302</u>	<u>5,582,021</u>
IV Expenses			
(a) Employee benefits expense	19	3,681,741	3,861,095
(b) Finance cost	20	2,970,416	2,274,226
(c) Depreciation and amortisation expense	10	660,227	831,337
(d) Other expenses	21	4,670,376	4,605,111
V Total expenses		<u>11,982,761</u>	<u>11,571,769</u>
VI Profit / (Loss) before tax		(1947459)	(5989748)
VII Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		41,797	63,917
VIII Profit / (Loss) for the year		<u>(1905662)</u>	<u>(5925831)</u>
IX Earnings per share (Basic and Diluted) 22		-0.37	-1.15

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For MARDIA & ASSOCIATES

Chartered Accountants
Firm Reg No: 007888S

(MANISH MARDIA)
Proprietor

M. No 205307

PLACE : CHENNAI
DATE :

For and on behalf of the Board of Directors

LALCHAND MUNOTH
Chairman

BHARAT MUNOTH
Managing Director

JASWANT MUNOTH
Managing Director

A. G. NANDINI
Company Secretary



Notes to financial statement for the year ended 31 March 2013

Note 1 Corporate Information

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

Note 2 Significant Accounting Policies

1. Accounting Policies

a) Accounting Convention

The accompanying financial statements are consistently prepared under the historical cost convention, on the accrual basis of accounting and comply with the accounting standards issued by the Institute of Chartered Accountants of India (to the extent applicable) and in accordance with the generally accepted accounting principles, the provisions of the Companies Act, 1956.

b) Fixed Assets and Depreciation :

i) Tangible Assets are stated at cost less accumulated depreciation adjusted by revaluation/ business valuation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The Company provides pro-rata depreciation from the date on which asset is acquired / put to use. In respect of assets sold, pro-rata depreciation is provided upto the date on which the asset is sold. On all assets, Depreciation has been provided using the Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.

ii) Intangible Assets are stated at cost less Depreciation thereon. No depreciation has been provided on MSE Membership card.

c) Investments :

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

d) Taxation :

Income tax expenses comprises current tax and deferred tax charge or credit. The deferred tax charge or credit is recognized using current tax rates. Where there is unabsorbed depreciation and/or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets.

e) Retirement Benefits

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

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

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



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3. We have been informed that Current Assets Loans and Advances other than doubtful have the value at which they are stated in the Balance sheet, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
4. Balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation.
5. Contingent Liability
Contingent liabilities comprise Bank Gurantees amounting to Rs. 138.50 Lacs provided to Stock Exchanges. (Previous year - Rs. 138.50 Lacs).
6. The company has not made provision for a sum of **Rs 2,19,58,387/-** (Prev yr Rs. 2,19,76,897) being fall in the market value of quoted investments. Such provision has not been made as the management perceives that the investments are of long term in nature and such diminution in value is temporary. The Current value of unquoted investments cannot be ascertained in the absence of availability of latest financial results.
7. The company has received a letter from RBI exempting it from Registration as a Non Banking Financial Company as it is already registered as stock broker with SEBI.
8. Bangalore branch transactions are consolidated in respective heads in Head office account
9. Foreign Currency Transaction :

	Current Year	Previous Year
Earnings (yet to be realized)	NIL	NIL
Expenditure (towards Foreign Travel)	350,215.00	NIL

10. During the current year Freehold Land was revalued by an approved Valuer and updated as on 31.03.2013, on the basis of assessment about current value of the similar assets resulting in an increase in its value by Rs. 3,59,76,570, which has been transferred to Revaluation Reserve.
11. Previous year figures have been regrouped and rearranged wherever necessary to conform to this year classification.



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Note 3 Share capital (In Rs)

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Shares				
Equity shares of Rs.10 each with voting rights	10,000,000	100,000,000	10,000,000	100,000,000
(b) Issued, Subscribed and Fully Paid up Shares				
Equity shares of Rs.10 each with voting rights	5,135,300	51,353,000	5,135,300	51,353,000
(c) Forfeited shares	-	259,500	-	259,500
Total	<u>5,135,300</u>	<u>51,612,500</u>	<u>5,135,300</u>	<u>51,612,500</u>

A. 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.

B. Details of Shareholders holding more than 5% shares in the Company

Name of the shareholder	No of Shares	% of Shares
1. Lalchand Munoth	502,100.00	9.78
2. Jaswant munoth	620,200.00	12.08
3. Bharat Munoth	572,900.00	11.16
4. Vikas Munoth	905,300.00	17.63
5. Munoth Communication Ltd	1,006,300.00	19.60

Note 4 Reserves and surplus (In Rs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Securities premium account	20,250,000	20,250,000
(b) Revaluation Reserve Account:		
Opening Balance	-	-
Add: Revaluation of Freehold Land as on 31.3.13 (refer note 10)	35,976,570	-
Closing balance	35,976,570	-
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	6,088,223	12,014,054
Add: Profit / (Loss) for the year	-1,905,662	-5,925,831
Closing balance	<u>4,182,560</u>	<u>6,088,223</u>
Total	<u>60,409,130</u>	<u>26,338,223</u>

Note 5 Deferred tax liability (In Rs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
Deferred tax (liability) / asset		
As per last year's Balance Sheet	112,312	176,229
On Timing Difference : Depreciation	41,797	63,917
Net deferred tax (liability) / asset	70,515	112,312



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Note 6 Long-term provisions (In Rs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Provision for employee benefits:		
(i) Provision for gratuity (net)	586,772	561,083
Total	586,772	561,083

Note 7 Trade payables (In Rs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
Trade payables:		
Acceptances	45,750	386,260
Total	45,750	386,260

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

Note 8 Other current liabilities (In Rs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
(A) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	45,359	36,153
(ii) Advances from customers (Margin money received from Clients)	1,264,153	2,780,458
(B) Loans		
From banks		
Secured - Federal Bank Car Loan*	65,289	141,901
(C) Other loans and advances		
Secured - Bank Overdraft**	17,643,171	15,232,485
Total	19,017,972	18,190,997

* Federal Bank car loan is secured against Hypotjication of Car

** Bank Overdraft is secured against Property with Federal Bank Ltd

Note 9 Short-term provisions (In Rs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Provision - others		
Auditors Rermuneration Payable	67,500	67,500
Internal Audit Fee Payable	30,600	30,600
Stamp Charges Payable	8,145	26,930
NSDL Transaction Charges Payable	75,096	76,161
Other General Provision*	417,801	142,355
TDS Payable	52,508	10,900
STT Payable	2,680	10,042
Total	654,330	364,487



NOTES - 10 FIXED ASSETS

(Rs.)

NAME OF ASSETS	Rate	GROSS BLOCK					DEPRECIATION				NET BLOCK	
		As at April 1, 2012	Addition during the year	Ded/Adj during the year	Revaluation during the year	As at March 31, 2013	Upto March 31, 2013	For the year	Ded/Adj during the year	Upto March 31, 2013	As at March 31, 2012	As at March 31, 2013
Tangible Assets												
Freehold Land *	0.00%	2,479,430	-	-	35,976,570	38,456,000	-	-	-	-	2,479,430	38,456,000
Buildings	5.00%	3,342,043	-	-	-	3,342,043	1,805,608	76,822	-	1,882,431	1,536,435	1,459,612
Furnitures & Fixtures	18.10%	4,320,821	-	-	-	4,320,821	3,486,784	150,961	-	3,637,745	834,037	683,076
Vehicles (motor car)	25.89%	1,183,656	-	-	-	1,183,656	663,513	134,665	-	798,178	520,143	385,478
Office Equipment (AC+ Music system+fire alarm+ office eq+access control+ electr fit)	13.91%	2,461,533	88,708	-	-	2,550,241	1,452,436	150,971	-	1,603,408	1,009,097	946,833
Computer	40.00%	5,854,804	40,525	14,500	-	5,880,829	5,670,446	82,266	13,723	5,738,988	184,358	141,841
		19,642,287	129,233	14,500	35,976,570	55,733,590	13,078,787	595,685	13,723	13,660,750	6,563,500	42,072,840
Intangible Assets												
MSE Membership Card	0.00%	2,000,000	-	-	-	2,000,000	-	-	-	-	2,000,000	2,000,000
Software	40.00%	4,562,550	-	-	-	4,562,550	4,401,194	64,542	-	4,465,736	161,356	96,814
		6,562,550	-	-	-	6,562,550	4,401,194	64,542	-	4,465,736	2,161,356	2,096,814
Toal		26,204,837	129,233	14,500	35,976,570	62,296,140	17,479,981	660,227	13,723	18,126,486	8,724,856	44,169,654
As on 31.03.2012		26,043,697	161,140	-	-	26,204,837	16,648,644	831,337	-	17,479,981	9,395,053	8,724,856



MUNOTH FINANCIAL SERVICES LIMITED

Note 11 Non-current investments

(In Rs)

Particulars	As at 31 March, 2013			As at 31 March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
(a) Investments (At cost):						
Investment in equity instruments						
(i) of associates	15,877,675	9,762,932	25,640,607	15,877,675	9,762,932	25,640,607
(ii) of other entities	17,378,447	18,199,798	35,578,245	18,315,230	18,199,798	36,515,028
Total			<u>61,218,852</u>			<u>62,155,635</u>

* Received as consideration against preferential issue of 112000 equity shares of Rs.10/- each at a premium of Rs.90/- each.

** The Market Value of Aggregated Quoted investments amounts to Rs. 12,150,019

*** No Provision is made for diminution in Value of Investments

DETAILS OF THE SHARES AS ON 31.3.2013

In Equited Shares of Indian Companies

A) Company Under the Same Management

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
QUOTED				
Munoth Communication Ltd	791200	15,877,675	791200	15,877,675
UN QUOTED				
South India Chemicals & Leasing P Ltd	7,500	2,400,000	7,500	2,400,000
Sankeshwara Finance & Investments P Ltd	20,000	2,000,000	20,000	2,000,000
Jaswant Estates P Ltd	5,000	500,000	5,000	500,000
Munoth Neg Windfarm	133,700	362,932	133,700	362,932
Munoth Industries Limited	450,000	4,500,000	450,000	4,500,000
		<u>25,640,607</u>		<u>25,640,607</u>

B) Others

(i) Quoted

# Bafna Spinning	500	2,900	500	2,900
# Bonanza Pharma	100	775	100	775
# Oswal Chemicals	50	12,636	50	12,636
# Siris Ltd	200	16,846	200	16,846
Agritech India	2,140	2,140	2,140	2,140
Alembic Chemicals	11,000	1,046,129	11,000	1,046,129
Antartica Ltd	1,000	2,369	1,000	2,369

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	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
Arihant Constyn	150	600	150	600
ATV Projects	300	5,100	300	5,100
Bajaj Auto	200	180,882	200	180,882
Bajaj Finserv Ltd	110	61,120	100	54,620
Bajaj Holding and Investment Ltd	100	144,206	100	144,206
Bhirwani Denim	200	1,250	200	1,250
Biofil Chemical	1,000	1,000	1,000	1,000
Blue Bend Petro	350	1,050	350	1,050
Brigade Enterprises Ltd	1,000	406,344	1,000	406,344
BTW Industries	100	300	100	300
Cable Corporation	1,000	1,500	1,000	1,500
Celebrity Fashions	1,873	256,099	1,873	256,099
Indian Terrian Fashions Ltd	535	-	535	-
Computer Power	184,000	65,900	184,000	65,900
Concert Spices	100	300	100	300
Consolidated Fibre	100	400	100	400
Coromandel Finance	900	6,300	900	6,300
CT Cotton Yarn	300	3,550	300	3,550
Dcw Shares	22,000	578,590	-	-
Deccan Granites	100	1,100	100	1,100
Dhampur Sugars	7,066	742,495	7,066	742,495
DSQ Biotech Ltd	170	23,800	170	23,800
Dynavision	200	650	200	650
Europeon Software	600	300	600	300
Fab Worth	100	1,975	100	1,975
Finolex Industries	100	6,035	100	6,035
Gangadharan Appliances	226	2,599	226	2,599
Golden Textiles	1,300	3,900	1,300	3,900
Gujrat Ambuja Cot Spin Limited	400	3,200	400	3,200
Gujrat Cotex	300	2,955	300	2,955



MUNOTH FINANCIAL SERVICES LIMITED

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
Harayana Petro	400	3,000	400	3,000
HDFC Bank Ltd	110	39,749	22	39,749
Hindustan Lever Ltd	1	173	1	173
Induj Infotech	105	105	105	105
Information Tech Ltd	5,425	5,425	5,425	5,425
Innovation Sec	1,400	4,200	1,400	4,200
Ispat Industries	4,000	118,920	4,000	118,920
IT People (India)	3,636	514,400	3,636	514,400
ITI	12,000	942,574	12,000	942,574
Jaswal Granites	600	3,100	600	3,100
Jay Flash	19,500	58,500	19,500	58,500
Kirlosker Electricals	100	1,926	100	1,926
Krishna Life	1,000	993	1,000	993
Kumar Metallurgical	300	750	300	750
L M L	450	7,534	450	7,534
MCC Finance Ltd	7,000	77,000	7,000	77,000
Midland Plastics	200	1,800	200	1,800
Modern Synthetics	1,150	14,893	1,150	14,893
Modi Threads	200	900	200	900
Nahar Spinning Mills	2,000	243,985	2,000	243,985
Nath Bio Genes	2,354	2,354	2,354	2,354
Nath Seeds	6,206	6,206	6,206	6,206
Natural Stone	900	5,400	900	5,400
NEPC India	200	4,188	200	4,188
Network Ltd	200	6,100	200	6,100
Omnitech Infosolu LT	3,000	801,982	3,000	801,982
Oswal Agro	350	546	350	546
Padmini Technology	700	1,400	700	1,400
Pan Asia Industries	100	1,200	100	1,200
PBA Infrastructure	17,733	2,306,172	17,733	2,306,172



**MUNOTH FINANCIAL SERVICES LIMITED**

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
(ii) UNQUOTED				
Arihant Fabrics	50	100	50	100
# Benaras Bank	87,490	4,811,950	87,490	4,811,950
# Deve Sugar	9,400	1,410,000	9,400	1,410,000
# Parvathi Hi tech	10,000	100,000	10,000	100,000
*# Rayalaseema Paper Mills	1,120,000	11,200,000	1,120,000	11,200,000
# Rhino Tyres	200	1,000	200	1,000
Madras Stock Exchange	285,000	15,000	285,000	15,000
India Mobile Network P Ltd	50,000	500,000	50,000	500,000
MSE Financial Services Ltd	13,479	161,748	13,479	161,748
Essar Steel	114	32,940	114	32,940
		<u>18,232,738</u>		<u>18,232,738</u>
TOTAL		<u>35,578,245</u>		<u>36,515,028</u>
GRAND TOTAL		<u>61,218,852</u>		<u>62,155,635</u>

Note 12 Long-term loans and advances**(In Rs)**

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Security deposits		
Secured, considered good	8,416,971	8,416,971
(b) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	2,134,481	614,222
(c) MAT credit entitlement - Unsecured, considered good	51,161	51,161
Total	<u>10,602,613</u>	<u>9,082,355</u>

Note 13 Trade receivables**(In Rs)**

Particulars	As at 31 March, 2013	As at 31 March, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	1,205,574	518,996
	1,205,574	518,996
Other Trade receivables		
Secured, considered good	262,692	4,748,168
	<u>262,692</u>	<u>4,748,168</u>
Total	<u>1,468,265</u>	<u>5,267,164</u>

**MUNOTH FINANCIAL SERVICES LIMITED****Note 14 Cash and cash equivalents (In Rs)**

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Cash on hand	280,668	272,011
(b) Balances with banks		
(i) In current accounts		
HDFC NSE Derivative settlement account	286,855	310,483
HDFC NSE Derivative client account	-56,681	236,587
HDFC NSE Due account	50,000	135,588
HDFC EXP	16,170	88,943
HDFC NSE Equity client account	236,969	63,315
HDFC NSE Equity settlement account	151,645	29,220
HDFC client margin account	10,000	10,000
HDFC banglore account	2,707	8,033
HDFC -DIV (ECS)	5,606	3,085
HDFC - 6972	1,114,333	-
Bank of Baroda-DIV a/c	14,976	2,831
Bank OD Baroda	51,277	49,293
(ii) In deposit accounts	<u>7,638,710</u>	<u>7,476,845</u>
Total	<u>9,803,235</u>	<u>8,686,234</u>

Note 15 Short-term loans and advances (In Rs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Loans and advances to employees		
Secured, considered good	46,724	34,223
(b) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	<u>1,284,867</u>	<u>895,843</u>
Total	<u>1,331,591.05</u>	<u>930,066.28</u>

Note 16 Other current assets (In Rs)

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Accruals		
(i) Interest accrued on deposits	77,650	79,037
(ii) Accrued income	-	101,426
(b) Others		
(i) Others		
Income Tax Refund	1,427,125	1,427,125
Federal Bank Interest Receivable	549,000	-
DP Amc and Transactions receivable	968,416	1,027,315
DP Service tax receivable	2,436	265
Service tax input	6,714	26,379
TDS Receivable	<u>771,416</u>	<u>58,006</u>
Total	<u>3,802,757</u>	<u>2,719,553</u>



MUNOTH FINANCIAL SERVICES LIMITED

Note 17 Revenue from operations

(In Rs)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Income From Operations	<u>8,633,573</u>	<u>4,794,303</u>
Total	<u>8,633,573</u>	<u>4,794,303</u>

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Income From Operations Comprises:		
DP and AMC Transaction Charges	434,504	787,431
Merchant Banking & Investment	5,750,000	-
Brokerage and Turnover charges received	<u>2,449,069</u>	<u>4,006,871</u>
Total - Sale of services	<u>8,633,573</u>	<u>4,794,303</u>

Note 18 Other income

(In Rs)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Interest income (Refer Note (i) below)	1,222,433	571,337
Dividend income	106,193	117,948
Net gain on sale of:		
current investments	-	-
long-term investments	-	-
Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	<u>73,103</u>	<u>98,434</u>
Total	<u>1,401,728</u>	<u>787,718</u>
(i) Interest income comprises:		
Interest from banks on:		
deposits	673,433	560,624
other balances	-	-
Interest on income tax refund	-	10,713
Other interest - Federal Bank Interest Receivable	<u>549,000</u>	<u>-</u>
Total - Interest income	<u>1,222,433</u>	<u>571,337</u>
(ii) Other non-operating income comprises:		
Profit on sale of fixed assets	223	-
Miscellaneous income [net of expenses directly attributable]	<u>72,880</u>	<u>98,434</u>
Total - Other non-operating income	<u>73,103</u>	<u>98,434</u>



MUNOTH FINANCIAL SERVICES LIMITED

Note 19 Employee benefits expense

(In Rs)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Salaries and wages	3,265,647	3,422,543
Contributions to provident and other funds	243,078	223,646
Staff welfare expenses	173,016	214,906
Total	3,681,741	3,861,095

Note 20 Finance costs

(In Rs)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a) Interest expenses	2,666,541	1,961,879
(b) Bank Guarantee Charges	296,351	249,660
(c) Bank Charges	7,525	62,687
Total	2,970,416	2,274,226

Note 21 Other expenses

(In Rs)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Power and fuel	468,252	529,543
Repairs and maintenance - Buildings	84,420	78,660
Repairs and maintenance - Machinery	200,652	208,919
Repairs and maintenance - Others	187,113	167,822
Investment Manager Fund Expense	19,406	-
Insurance	58,416	58,831
Rates and taxes	51,947	59,381
Telephone Charges	230,980	251,392
Communication	102,757	159,954
Travelling and conveyance	559,903	193,788
Printing and stationery	121,422	166,648
Business promotion	221,579	257,465
Legal and professional	242,608	157,870
NSDL Transaction charges	91,008	-
Payments to auditors (Refer Note (i) below)	258,294	252,650
Bad trade and other receivables, loans and advances written off	-	225,000
Long term capital Loss on sale of long Term Investments	502,153	-
Provision for gratuity	25,689	48,031
Vsat charges	101,996	200,000
Registration fees PMS	166,666	118,822

**MUNOTH FINANCIAL SERVICES LIMITED**

	(In Rs)	
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Registration fees MBD	166,667	191,667
Lease Line charges	109,780	134,642
NSE Transaction charges - Equity & F&O	167,465	174,045
NSE Subscription Charges	150,000	153,207
Clearing & Settlement charges	12,980	12,418
Profit and loss from F&O Trading	22,380	465,989
Professional tax	2,593	2,055
NSDL Transaction charges	113,074	121,448
Miscellaneous expenses	<u>230,176</u>	<u>214,865</u>
Total	<u>4,670,376</u>	<u>4,605,111</u>

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	75,000	75,000
For company law matters	8,000	8,000
For management services	123,000	122,000
For other services	48,000	42,500
Reimbursement of expenses	<u>4,294</u>	<u>5,150</u>
Total	<u>258,294</u>	<u>252,650</u>

Note 22 Disclosures under Accounting Standards

(In Rs)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Earnings per share		
<u>Basic and Diluted</u>		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	-1,905,662	-5,925,831
Weighted average number of equity shares	5,135,300	5,135,300
Par value per share	10.00	10.00
Earnings per share	-0.37	-1.15



Note 23 Related Party Transactions

Related party disclosures under Accounting Standard - 18.

Related Parties

A (I) Associate Companies

- a) Munoth Communications Limited
- b) Munoth Industries Limited
- c) South India Chemicals & Leasing (P) Ltd
- d) Maharana Finance & Investments (P) Ltd
- e) Shankeswar Finance & Investments (P) Ltd
- f) Jaswant Estates (P) Ltd
- g) Munoth Negwind Farm (P) Ltd

(II) Key Management personnel and their relatives:-

- a) Lalchand Munoth
- b) Jaswant Munoth
- c) Bharat Munoth
- d) Vikas Munoth
- e) Leela Devi
- f) Vijayalaksmi Munoth
- g) Aruna Munoth
- h) Kanchan Munoth

B. Related Party Transactions	Current Year Rs.	Previous Year Rs.
I) With Associate Companies		
a) Purchase of Investments	-	-
b) Sale of Investments	-	-
c) Rendering of services		
- Munoth Communication Ltd	589,252.33	-
- Bharath Munoth	30,182.82	-
d) Outstanding balances in loans & Advances		
- Bharath Munoth	31.41	-
e) Interest Paid	-	-
C. With Key Management Personnel and their Relatives		
a) Remuneration and perks	1,296,000.00	1,445,000.00
b) Incentive Paid	-	-
c) Rendering of services	-	-
d) Rental Deposit Outstanding	-	-
e) Salary Advance	17,000.00	-
f) Share Application Money Refunded	-	2,500,000.00



Note 24 Employee benefit plans

Defined contribution plans

The Company makes Recognized Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 2,43,078 (Year ended 31 March, 2013) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

As per our report of even date attached

For MARDIA & ASSOCIATES

Chartered Accountants
Firm Reg No: 007888S

(MANISH MARDIA)

Proprietor
M. No 205307

PLACE : CHENNAI
DATE :

For and on behalf of the Board of Directors

LALCHAND MUNOTH
Chairman

JASWANT MUNOTH
Managing Director

BHARAT MUNOTH
Managing Director

**MUNOTH FINANCIAL SERVICES LIMITED****Cash Flow Statement for the year ended 31 March 2013****(In Rs)**

	Year ended 31 March 2013 Rs. in '000	Year ended 31 March 2012 Rs. in '000
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	1,947,459)	(5,989,748)
<i>Adjustments for:</i>		
Depreciation and amortisation	660,227	831,337
(Profit) / loss on sale / write off of assets	(223)	
Finance cost	2,970,416	2,274,226
Interest income	(1,222,433)	(571,337)
Dividend income	(106,193)	(117,948)
Net (gain) / loss on sale of investments	502,153	
	<u>2,803,947</u>	<u>2,416,278</u>
Operating profit / (loss) before working capital changes	<u>856,488</u>	<u>(3,573,470)</u>
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	3,798,899	<u>(3,152,537)</u>
Short-term loans and advances	(401,525)	<u>(263,626)</u>
Long-term loans and advances	(1,520,259)	(519,608)
Other current assets	(1,083,204)	726,508
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(340,510)	<u>(508,454)</u>
Other current liabilities	826,975	2,516,909
Short-term provisions	289,842	(6,279)
Long-term provisions	25,689	<u>48,032</u>
	<u>1,595,907</u>	<u>(1,159,055)</u>
Cash generated from operations	<u>2,452,395</u>	<u>(4,732,525)</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(129,233)	(161,140)
Proceeds from sale of fixed assets - Placed	1,000	
Purchase of long-term investments - Others	(708,718)	(65,988)
Proceeds from sale of long-term investments - Business units - Others	1,143,348	
Interest received - Others	1,222,433	571,337
Dividend received - Others	106,193	117,948
Cash generated from Investing activities	<u>1,635,023</u>	<u>462,156</u>



MUNOTH FINANCIAL SERVICES LIMITED

C. Cash flow from financing activities

Share application money received / (refunded)		
Net increase / (decrease) in working capital borrowings		
Finance cost	(2,970,416)	(2,274,226)
	<u>-2,970,416</u>	<u>(2,274,226)</u>
Cash generated from Financing activities	-2,970,416	(2,274,226)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	1,117,002	(6,544,595)
Cash and cash equivalents at the beginning of the year	<u>8,686,234</u>	<u>15,230,829</u>
Cash and cash equivalents at the end of the year	<u>9,803,235</u>	<u>8,686,234</u>
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
As per Balance sheet - Note 14	<u>9,803,235</u>	<u>8,686,234</u>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For MARDIA & ASSOCIATES

Chartered Accountants
Firm Reg No: 007888S

(MANISH MARDIA)
Proprietor
M. No 205307

PLACE : CHENNAI
DATE :

For and on behalf of the Board of Directors

LALCHAND MUNOTH
Chairman

BHARAT MUNOTH
Managing Director

JASWANT MUNOTH
Managing Director

A. G. NANDINI
Company Secretary

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statement of M/s. Munoth Financial Services Limited for the year ended 31st March 2013 which is based on and in agreement with the audited accounts for the relevant financial year. According to the information and explanation given to us, the aforesaid Cash Flow Statement, prepared by the company, is in accordance with the requirements of Clause 32 of the Listing agreement with the Stock-Exchanges.

For MARDIA & ASSOCIATES
Chartered Accountants

(MANISH MARDIA)
Proprietor
M. No 205307

Place : Chennai
Date :