



## 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

September 2, 2017

M/s Bombay Stock Exchange Limited,  
Phiroze Jheejeeboy 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 2016-17.

Kindly update our records.

Thanking you,

Sincerely,

**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**

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### **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  
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**

A G Nandini

### **AUDITORS**

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

### **SECRETARIAL AUDITOR**

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**



**MUNOTH FINANCIAL SERVICES LIMITED**

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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 Sixth Annual General Meeting of the Company will be held on Thursday, August 31, 2017 .at 10.30 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, 2017 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. Lalchand Munoth (DIN No: 01693640) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jaswant Munoth (DIN No.00769545) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment
4. To appoint a Director in place of Mr. Bharat Munoth (DIN No.00769588) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. Appointment of Auditors

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

**“RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s. C.K.Prusty & Associates, Chartered Accountants with Firm Registration No.323220E be and are hereby appointed as the statutory auditor of the company in place of the retiring Auditor M/s. Mardia and Associates, Chartered Accountants (Firm's Registration No.007888S) to hold office from the conclusion of this Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company to be held in year 2022 to examine and audit the accounts of the Company at such remuneration plus applicable taxes, out-of-pocket expenses etc., as may be mutually agreed between the Board of Directors and the Auditors.”

#### **SPECIAL BUSINESS**

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

**“RESOLVED** that pursuant to the approval of the Board of Directors and recommendation of remuneration committee and subject to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 approval of Members be and is hereby accorded to Mr. Jaswant Munoth (DIN : 00769545), for reappointment as a director, liable to retire by rotation, and also “Managing Director” of the Company for a period of two years effective from 20th June 2017 to 19th



## **MUNOTH FINANCIAL SERVICES LIMITED**

June 2019 , on the terms and conditions of appointment and remuneration , as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of re-appointment and remuneration so as to not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 read with limits specified in Schedule V to the Companies Act, 2013 and as may be agreed to by the Board of Directors and Mr.Jaswant Munoth.”

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

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

Place : Chennai  
Date : 31/07/2017

**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 August 25, 2017 to August 31, 2017 (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



## **MUNOTH FINANCIAL SERVICES LIMITED**

Members/list of Beneficial Owners as received from National Securities Depository Limited (“NSDL”)/ Central Depository Services (India) Limited (“CDSL”) as on August 4, 2017.

### **ATTENDANCE SLIP:**

For the convenience of the Shareholders Attendance slip is annexed to the proxy form. The Shareholders are requested to fill in and affix their signatures at the space provided therein and hand over the attendance slip at the entrance of the place of the meeting. Proxy/Representative of Shareholders should mark on the attendance slip as “Proxy” or “Representative” as the case may be. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

### **DEMATERIALISATION OF SHARES:**

The company’s equity shares have been notified for compulsory dematerialisation. Accordingly trading of these shares through Stock Exchange would be facilitated if the share certificates are dematerialised.

Members having the physical share certificates are advised to consider opening of a Demat account with an authorised Depository participant and arrange for dematerialising their shareholdings in the company.

### **REQUEST TO MEMBERS:**

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

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

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

### **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



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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 August 24, 2017.. 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 August 28, 2017 9:00 A M and ends on August 30, 2017 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) August 24, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The shareholder who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- ((ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"><li>• 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.</li><li>• 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</li></ul>





## MUNOTH FINANCIAL SERVICES LIMITED

Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"><li>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).</li></ul>
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user 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](mailto: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



## MUNOTH FINANCIAL SERVICES LIMITED

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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](http://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.

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

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

Item No. 6

Mr. Jaswant Munoth was appointed as the Managing Director for two years with effect from June 25, 2015. Keeping in view his entrepreneurial spirit and commitment as well as taking into account his responsibilities, the nomination and remuneration committee has decided to reappoint him as Managing Director with the remuneration of Rs. 2,00,000/- per month. Mr. Jaswant Munoth is also the Managing Director of Munoth Communication Limited. The Board of Directors in their meeting held on May 23, 2017, has decided to reappoint him as the Managing Director of the Company for the period of two years with effect from June 20, 2017 and who is eligible to retire by rotation. He is also a member of the Shareholder/ Investor Grievance Committee of the Board of Directors of the Company. Mr. Jaswant Munoth is a Commerce graduate with a Masters Degree in Business Administration. He has extensive knowledge in the field of finance and investments. His dynamism and the business acumen will be of great asset to the Company.

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

#### **I) Salary, Allowances and Commission (hereinafter referred to as "Remuneration"):**

##### **a) Salary comprising**

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

##### **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.



## MUNOTH FINANCIAL SERVICES LIMITED

### II) Perquisites:

1. In addition to the Remuneration as stated above, Mr. Jaswant Munoth shall be entitled, as per Rules of the Company, to perquisites like:
  - a. Rent-free furnished residential accommodation with free use of all the facilities and amenities, such as air conditioners, geysers etc.  
In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance as per policy of the Company.
  - b. Reimbursement of all medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalisation.
  - c. Personal Accident Insurance Premium.
  - d. Air passage and/or leave travel allowance for self and members of his family e. Subscription to clubs.
  - f. Use of Company maintained cars with drivers for business and personal use.
  - g. Use of communication devices such as telephones, audio and video conference facilities etc., at the residence.
  - h. Education Allowance for children, whether abroad or in India.
  - i. Encashment of leave at the end of his tenure as per policy of the Company.
  - j. Contributions to provident fund, superannuation fund or annuity fund and any other retirement benefits.
  - k. Participation in any/ all employee stock option schemes/ plans of the Company
  - l. Gas, Electricity, water & furnishings; maintenance and repairs thereof
  - m.. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Jaswant Munoth

The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount not exceeding the Salary in I(a) above for the relevant period. The perquisites mentioned above from (h) to (m) shall be based on actual amounts and excluded from the aforesaid perquisite limit.
2. The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the limits stipulated.

### III) Minimum Remuneration:

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

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

Place: Chennai  
Date: 31/07/2017

**LALCHAND MUNOTH**  
**CHAIRMAN**



## MUNOTH FINANCIAL SERVICES LIMITED

### DIRECTORS' REPORT

To The Members

Your Directors have pleasure in presenting their Twenty Sixth Annual Report together with the Audited Accounts for the year ended March 31, 2017

### FINANCIAL RESULTS:

Particulars	2016-2017 Rs.in Lacs	2015-2016 Rs. in Lacs
Total Revenue	103.37	97.86
Total Expenses	112.13	117.69
Profit or Loss before Exceptional and Extraordinary items and Tax	(8.76)	19.83
Less: Exceptional Items	-	-
Less: Extraordinary Items	-	-
Profit/(Loss)before Tax	(8.76)	(19.83)
Less: Current Tax	-	-
Deferred Tax	(0.20)	(0.95)
Profit/(Loss) after Tax	(8.56)	(18.88)
Add: Balance as per statement of Profit & Loss	(4.31)	14.57
Balance (statement of Profit & Loss)		
Transferred to Balance Sheet	(12.87)	(4.31)

### REVIEW OF BUSINESS OPERATIONS:

During the financial year 2016-17, the Company's total revenue has increased from Rs. 97.86 lakhs to Rs. 103.37 lakhs in the current year.

The Company net loss has decreased to Rs. 8.56 Lakhs as against Rs. 18.88 Lakhs in the previous year.

#### Stock Broking

Income from stock broking operations has decreased to Rs. 15.51 Lakhs from Rs. 23.80 lakhs in the previous year.

The broking turnover of the company in cash segment is Rs. 103.30 crores as compared to Rs. 121.26 crores in the last financial year and in F & O segment is Rs. 9.49 Crores as compared to Rs.259.83 crores in the last financial year.

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

#### Depository participant:

As a Depository Participant the company offers facilities to both institutional and retail investors to maintain their investments in securities in electronic form. Income from Depository operations has decreased to Rs. 5.92 Lakhs as against Rs. 6.66 lakhs in the previous year

#### Merchant Banking & Portfolio Management Services:

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



## **MUNOTH FINANCIAL SERVICES LIMITED**

The Company's MBD division is advising several company to tap market in SME segment.

The Company has been appointed as Investment Managers by IL & FS Trust Company Limited for Valmark Infra and Realty Trust, a SEBI registered Alternate Investment Fund – Category II (AIF II). Income from Merchant Banking & PMS amounted to Rs.75.02 Lakhs as against Rs. 57.86 Lakhs in the previous year.

### **FUTURE PROSPECTS**

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

### **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 31<sup>ST</sup> MARCH 2017 ( THE END OF THE FINANCIAL YEAR and 23rd MAY 2017 (THE DATE OF REPORT)**

There were no material changes and commitments affecting the financial position of the company between 31st March 2017 ( the end of the financial year) and 23rd May 2017 (the date of the report).

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

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

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

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

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

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable for the financial year 2016-17.

### **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 5 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 13, 2016, May 30, 2016, August 1, 2016, November 11, 2016 and February 9, 2017.



## **MUNOTH FINANCIAL SERVICES LIMITED**

### **AUDIT COMMITTEE:**

The Audit Committee comprises 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 comprises 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 Grievance Committee with the new name Shareholders relationship committee . The committee specifically looks into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report etc. In addition, the committee also oversees the share transfers and transmission.

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, 2017 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.



## **MUNOTH FINANCIAL SERVICES LIMITED**

- 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 2017 and of the Profit/Loss of the company for the year ended 31st March 2017
- 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. Jaswant Munoth retire by rotation and being eligible offers themselves for reappointment

#### **Re appointment of Mr Jaswant Munoth, as Managing Director**

Mr. Jaswant Munoth was reappointed as the Managing Director of the Company in the meeting of Board of Directors held on May 23, 2017 for the period of 2 years with effect from June 20, 2017 subject to the approval of the shareholders at the AGM

### **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 78 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 Munoth Communication Limited, Misrimal Navajee Estates Private Limited, Munoth Industries Limited, Munoth Bioscience Limited and South India Chemicals and Leasing Private Limited.

As on March 31, 2017, 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 47 years (DOB:02/03/1970) is a commerce



## **MUNOTH FINANCIAL SERVICES LIMITED**

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, 2017, 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. Jaswant Munoth and nature of his expertise in specific functional areas:**

Mr. Jaswant Munoth, aged 52 years (Date of Birth : 14/07/1965) holds a Bachelor Degree in Commerce from University of Madras with a Masters Degree in Business Administration. He has extensive 30 years of experience and knowledge in the field of Capital Markets. He is the Managing Director of the company since its inception on 1990. He has managed and steered the company through the adverse market conditions prevailed in the financial sector. He heads Merchant Banking and Portfolio Management Division of the Company. Under his leadership the Merchant Banking division has Lead managed 47 IPOs. He has worked with other leading merchant Bankers in 65 other IPO's under various other capacities. He also heads Portfolio Management Services since its inception in 1999 and manages portfolio of clients.

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

As on March 31, 2017, his shareholding in the Company is 815200 shares and has no shares held by/for other persons on a beneficial basis.

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

### **DECLARATION OF INDEPENDENT DIRECTORS:**

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

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

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

### **STATUTORY AUDITORS:**

Members of the Company at the AGM held on 20th September, 2014 had approved the appointment of Mardia & Associates as the Statutory Auditors for a period of three financial years and they hold office until the conclusion of the ensuing AGM. The requisite resolution for the appointment of statutory auditors for the period of 5 years forms part of the notice convening the AGM.





## **MUNOTH FINANCIAL SERVICES LIMITED**

### **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 2016-17.

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

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

### **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](http://www.munothfinancial.com). The policy intends to ensure that proper reporting, approval and disclosure procedures are in place for all transactions between the Company and Related Parties.

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

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

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE:**

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

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

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

### **VIGIL MECHANISM:**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulation, includes an Ethics & Compliance Task Force comprising Senior Executives of the



## **MUNOTH FINANCIAL SERVICES LIMITED**

Company. The policy on vigil mechanism and whistle blower policy may be accessed on the company's website [www.munothfinancial.com](http://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 2016-17 since the Net Worth is below 25 Crores and the Paid up Capital of the Company is less than 10 Crores.

### **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 : 23/05/2017

**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



## **MUNOTH FINANCIAL SERVICES LIMITED**

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.



## MUNOTH FINANCIAL SERVICES LIMITED

### **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 : 23/05/2017

**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 31.03.2017

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

#### I REGISTRATION & OTHER DETAILS:

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

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total revenue/turnover of the company (Approx)
		class(Sub class)	
1	Management of Other Investment Funds	6630(66309)	77.78%
2	Security and Commodity Contracts brokerage	6612(66120)	16.09%
3	Activities auxiliary to financial services activity nec	6619(66190)	6.13%

#### III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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





## 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	
<b>A. Promoters</b>									
<i>(1) Indian</i>									
a) Individual/HUF	3259900	0	3259900	63.48	3384900	0	3384900	65.92	2.44
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	102700	0	102700	2.00	227700	0	227700	4.43	2.43
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>3362600</b>	<b>0</b>	<b>3362600</b>	<b>65.48</b>	<b>3612600</b>	<b>0</b>	<b>3612600</b>	<b>70.35</b>	<b>4.87</b>
<i>(2) Foreign</i>									
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
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>3362600</b>	<b>0</b>	<b>3362600</b>	<b>65.48</b>	<b>3612600</b>	<b>0</b>	<b>3612600</b>	<b>70.35</b>	<b>4.87</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<i>(1) Institutions</i>									
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
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>225000</b>	<b>225000</b>	<b>0</b>	<b>0</b>	<b>225000</b>	<b>225000</b>	<b>0</b>	<b>0</b>



## 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	
<b>(2) Non Institutions</b>									
a) Bodies corporates	0	0	0	0	0	0	0	0	0
i) Indian	1314122	8100	1321822	25.74	1064122	7700	1071822	20.87	-4.87
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	59299	152425	211724	4.13	61643	151925	213568	4.17	0.04
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	2454	0	2454	0.05	610	0	610	0.01	-0.04
<b>SUB TOTAL (B)(2):</b>	<b>1375875</b>	<b>172225</b>	<b>1547700</b>	<b>30.14</b>	<b>1126375</b>	<b>171325</b>	<b>1297700</b>	<b>25.27</b>	<b>-4.87</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1375875</b>	<b>397225</b>	<b>1772700</b>	<b>34.52</b>	<b>1126375</b>	<b>396325</b>	<b>1522700</b>	<b>29.65</b>	<b>-4.87</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>4738475</b>	<b>397225</b>	<b>5135300</b>	<b>100.00</b>	<b>4738975</b>	<b>396325</b>	<b>5135300</b>	<b>100.00</b>	<b>0.00</b>



## MUNOTH FINANCIAL SERVICES LIMITED

### (ii) SHARE HOLDING OF PROMOTERS

SI 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	780200	15.19	0	815200	15.87	0	0.68
2	BHARAT MUNOTH	682900	13.30	0	717900	13.98	0	0.68
3	LEELADEVI MUNOTH	155000	3.02	0	155000	3.02	0	0.00
4	VIKAS MUNOTH	964500	18.78	0	994500	19.37	0	0.59
5	VIJAYALAKSHMI MUNOTH	15200	0.30	0	15200	0.30	0	0.00
6	LALCHAND MUNOTH	662100	12.89	0	687100	13.38	0	0.49
7	MUNOTH INDUSTRIES LIMITED	9700	0.19	0	9700	0.19	0	0.00
8	SOUTHINDIA CHEMICALS & LEASING (P) LTD	76200	1.48	0	201200	3.92	0	2.44
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	3362600	65.48	0.00	3612600	70.35	0.00	4.87



## 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 01/04/2016 TRANSFER 28/04/2016 At the end of the year 31/03/2017	780200 35000 815200	15.19 0.68 15.87	780200 815200 815200	15.19 15.87 15.87
2	BHARAT MUNOTH At the beginning of the year 01/04/2016 TRANSFER 28/04/2016 At the end of the year 31/03/2017	682900 35000 717900	13.30 0.68 13.98	682900 717900 717900	13.30 13.98 13.98
3	LEELADEVI MUNOTH At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	155000 155000	3.02 3.02	155000 155000	3.02 3.02
4	VIKAS MUNOTH At the beginning of the year 01/04/2016 TRANSFER 28/04/2016 At the end of the year 31/03/2017	964500 30000 994500	18.78 0.59 19.37	964500 994500 994500	18.78 19.37 19.37
5	VIJAYALAKSHMI MUNOTH At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	15200 15200	0.30 0.30	15200 15200	0.30 0.30
6	LALCHAND MUNOTH At the beginning of the year 01/04/2016 TRANSFER 28/04/2016 At the end of the year 31/03/2017	662100 25000 687100	14.59 0.49 13.38	662100 687100 687100	14.59 13.38 13.38
7	MUNOTH INDUSTRIES LIMITED At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	9700 9700	0.19 0.19	9700 9700	0.19 0.19
8	SOUTHINDIA CHEMICALS & LEASING (P) LTD At the beginning of the year 01/04/2016 TRANSFER 22/04/2016 At the end of the year 31/03/2017	76200 125000 201200	1.48 2.43 3.91	76200 201200 201200	1.48 3.91 3.91
9	MAHARANA FINANCE & INVESTMENTS(P) LTD At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	13600 13600	0.26 0.26	13600 13600	0.26 0.26
10	MUNOTH BIOSCIENCE LIMITED At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	3200 3200	0.06 0.06	3200 3200	0.06 0.06



## MUNOTH FINANCIAL SERVICES LIMITED

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	MUNOTH COMMUNICATION LIMITED At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	1006100 1006100	19.59 19.59	1006100 1006100	19.59 19.59
2	PRIORY INVESTMENTS (MAURITIUS) LIMITED At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	225000 225000	4.38 4.38	225000 225000	4.38 4.38
3	MISRIMAL NAVAJEE ESTATES PLTD At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	30800 30800	0.60 0.60	30800 30800	0.60 0.60
4	G-TECH STONE LIMITED At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	24800 24800	0.48 0.48	24800 24800	0.48 0.48
5	RAVINDRAN G At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	11700 11700	0.23 0.23	11700 11700	0.23 0.23
6	NUTECH FINANCIAL SERVICES LIMITED At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	7200 7200	0.14 0.14	7200 7200	0.14 0.14
7	RAMU A At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	4700 4700	0.09 0.09	4700 4700	0.09 0.09
8	JAGANATHAN N At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	4400 4400	0.09 0.09	4400 4400	0.09 0.09
9	VIJAYA J At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	4400 4400	0.09 0.09	4400 4400	0.09 0.09
10	SELVARAJ K At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	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 01/04/2016	780200	15.19	780200	15.19
	TRANSFER 28/04/2016	35000	0.68	815200	15.87
	At the end of the year 31/03/2017	815200	15.87	815200	15.87
2	BHARAT MUNOTH				
	At the beginning of the year 01/04/2016	682900	13.30	682900	13.30
	TRANSFER 28/04/2016	35000	0.68	717900	13.98
	At the end of the year 31/03/2017	717900	13.98	717900	13.98
3	VIKAS MUNOTH				
	At the beginning of the year 01/04/2016	964500	18.78	964500	18.78
	TRANSFER 28/04/2016	30000	0.59	994500	19.37
	At the end of the year 31/03/2017	994500	19.37	994500	19.37
4	LALCHAND MUNOTH				
	At the beginning of the year 01/04/2016	662100	14.59	662100	14.59
	TRANSFER 28/04/2016	25000	0.49	687100	13.38
	At the end of the year 31/03/2017	687100	13.38	687100	13.38
5	LAKSHIKA MEHTA				
	At the beginning of the year 01/04/2016	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2017	0	0.00	0	0.00
6	TANSRI RAJANDRAM				
	At the beginning of the year 01/04/2016	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2017	0	0.00	0	0.00
7	MAH SAU CHEONG				
	At the beginning of the year 01/04/2016	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2017	0	0.00	0	0.00
8	AJIT KUMBHAT				
	At the beginning of the year 01/04/2016	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2017	0	0.00	0	0.00
9	A G NANDINI - COMPANY SECRETARY (kmp)				
	At the beginning of the year 01/04/2016	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2017	0	0.00	0	0.00



## MUNOTH FINANCIAL SERVICES LIMITED

### V INDEBTEDNESS

In Rs.

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	2,76,217	1,55,16,848	0	1,57,93,065
ii) Interest due but not paid	0		0	
iii) Interest accrued but not due	0	0	0	
<b>Total (i+ii+iii)</b>	2,76,217	1,55,16,848	0	1,57,93,065
<b>Change in Indebtedness during the financial year</b>				
Additions	0	0	0	
Reduction	9,87,98	5,55,000	0	
<b>Net Change</b>	9,87,98	5,55,000	0	
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,27,419	1,49,61,848	0	1,51,39,267
ii) Interest due but not paid	0	0	0	
iii) Interest accrued but not due	0	0	0	
<b>Total (i+ii+iii)</b>	1,27,419	1,49,61,848	0	1,51,39,267

### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

In Rs.

SI.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	<b>Gross salary</b>	<i>Mr. Jaswant Munoth (MD)</i>	
	(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
	<b>Total (A)</b>	15,00,000	15,00,000
	<b>Ceiling as per the Act</b>	<i>with in overall ceiling as mentioned in Section II of Part II of Schedule V of Act</i>	



**MUNOTH FINANCIAL SERVICES LIMITED**

**B. Remuneration to other directors:**

**In Rs.**

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

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

**In Rs.**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO & WTD	
1	<b>Gross Salary</b>			
	(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
	<b>Total</b>	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)
<b>A. COMPANY</b>					
<i>Penalty</i>	NA	NA	NA	NA	NA
<i>Punishment</i>	NA	NA	NA	NA	NA
<i>Compounding</i>	NA	NA	NA	NA	NA
<b>B. DIRECTORS</b>					
<i>Penalty</i>	NA	NA	NA	NA	NA
<i>Punishment</i>	NA	NA	NA	NA	NA
<i>Compounding</i>	NA	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
<i>Penalty</i>	NA	NA	NA	NA	NA
<i>Punishment</i>	NA	NA	NA	NA	NA
<i>Compounding</i>	NA	NA	NA	NA	NA

**For and on behalf of the Board of Directors**

Place : Chennai  
Date : 23/05/2017

**Jaswant Munoth**  
Managing Director

**Vikas Munoth**  
Whole Time Director



**ANNEXURE 3**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD &A)**

**Industry Structure and developments:**

Indian stocks have risen to new highs this fiscal year despite a series of developments perceived to be negative to the markets—the UK's referendum to leave the European Union, US presidential election, the US Federal Reserve's decision to hike interest rates and demonetisation move.

India's economic growth potential and a surge of liquidity towards risk assets took the Nifty to hit new highs in the last days of the fiscal year.

**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.

Concerns about China's economic growth and financial markets, low levels of global commodity prices and divergent monetary policy stances of the key economies have been periodically rekindling volatility in the global financial markets. .. Investors by and large are becoming risk averse and prefer to flee to safe havens each time a fresh crisis looms over the markets. India like most other emerging market economies has not been immune.

**Segment- wise product performance**

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

**Risks, Concerns and outlook**

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

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

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.



## **MUNOTH FINANCIAL SERVICES LIMITED**

### **Adequacy of Internal Controls:**

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

### **Financial Performance:**

During the financial year 2016-17, the Company's total revenue has increased from Rs. 97.86 lakhs to Rs. 103.37 lakhs in the current year. The Company net loss has decreased to Rs. 8.56 Lakhs as against Rs. 18.88 Lakhs in the previous year.

Income from stock broking operations has decreased to Rs. 15.51 Lakhs from Rs. 23.80 lakhs in the previous year. The broking turnover of the company in cash segment is Rs. 103.30 crores as compared to Rs. 121.26 crores in the last financial year and in F & O segment is Rs. 9.49 Crores as compared to Rs.259.83 crores in the last financial year. 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 decreased to Rs. 5.92 Lakhs as against Rs. 6.66 lakhs in the previous year. The Company's MBD division is advising several company to tap market in SME segment. The Company has been appointed as Investment Managers by IL & FS Trust Company Limited for Valmark Infra and Realty Trust, a SEBI registered Alternate Investment Fund – Category II (AIF II). Income from Merchant Banking & PMS amounted to Rs.75.02 Lakhs as against Rs. 57.86 Lakhs 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 : 23/05/2017

**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, 2017**

*[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, 2017**

To,  
The Members,  
Munoth Financial Services Limited

I/We 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, 2017 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/we 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, 2017 according to the provisions of:

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



## **MUNOTH FINANCIAL SERVICES LIMITED**

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

I/we 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

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:

**I/we further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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/we 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/we 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 : 23/05/2017

Name of Company Secretary in practice :  
N.SELVAM  
ACS/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 MARDIA & ASSOCIATES**

Chartered Accountants  
Firm Reg No: 007888S

**(MANISH MARDIA)**

Proprietor  
M. No 205307

PLACE : Chennai  
DATE : 23/05/2017

**For and on behalf of the Board of Directors**

**LALCHAND MUNOTH**  
Chairman

**JASWANT MUNOTH**  
Managing Director & CEO

**BHARAT MUNOTH**  
Director

**VIKAS MUNOTH**  
Whole Time Director & CFO

**A. G. NANDINI**  
Company Secretary



**MUNOTH FINANCIAL SERVICES LIMITED**

**ANNEXURE 6**

**FORM NO. AOC -2**

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

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

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

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
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

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
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 : 23/05/2017

**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 Mr. M Jayantilal Jain NA
(ii)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Lalchand Munoth: NA Mr. Jaswant Munoth: No Increase Mr. Bharat Munoth: NA Mr. Vikas Munoth: NA Tansri Rajandram: NA Mr. Mah Sau Cheong: NA Mr. Ajit Kumbhat: NA Mr. M Jayantilal Jain: NA Ms. 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 loss of the Company for the year Rs. 8.55 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 03/02/2017 was Rs. 392.85 Lacs ( last year as on 22/12/2015 was Rs. 564.88 Lacs ) NA  The Company had come out with the Initial Public Offer (IPO) in June 1996 is at Rs. 10/- per share, As on 03/02/2017, the market price per share is Rs.7,65/- per share
(viii)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial	No increase in Managerial Remuneration



## MUNOTH FINANCIAL SERVICES LIMITED

	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	
(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 : 23/05/2017

**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, 2017 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 : 23/05/2017

**Jaswant Munoth**  
Managing Director & CEO

**Vikas Munoth**  
Whole Time Director & CFO



## MUNOTH FINANCIAL SERVICES LIMITED

### INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

**MUNOTH FINANCIAL SERVICES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **MUNOTH FINANCIAL SERVICES LIMITED**, which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014.

This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under section 143 (11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Basis for Qualified Opinion**

**The company has not provided for a provision of Rs. 2,13,99,831- being the diminution in the market value of Quoted Investments held by the Company.**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



## MUNOTH FINANCIAL SERVICES LIMITED

- i. In the case of the balance sheet, of the state of affairs of the Company as at 31 March 2017;
- ii. In the case of the statement of profit and loss, of the **loss** for the year ended on that date; and
- iii. In the case of the cash flow statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we further report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet & Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
  - e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
  - 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 litigation which would impact its financial position.
    - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
    - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
    - (iv) The Company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified Bank Notes during the Period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer notes to Financial Statements
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

*For Mardia & Associates*  
*Chartered Accountants*  
Firm’s registration number: 007888S

Place : Chennai  
Date : 23/05/2017

(Manish Mardia)  
Proprietor  
Membership number: 205307



## **MUNOTH FINANCIAL SERVICES LIMITED**

### **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph f under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

#### **Report on the Internal Financial Controls Over Financial Reporting 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** (“the Company”) as of March 31, 2017 in conjunction with our audit of the 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”. 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.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 whether a risk of material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, 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



## MUNOTH FINANCIAL SERVICES LIMITED

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, to the best of our information and according to the explanations given to us, 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 March 31, 2017, 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 Mardia & Associates*

*Chartered Accountants*

Firm's registration number: 007888S

(Manish Mardia)

Proprietor

Membership number: 205307

Place : Chennai  
Date : 23/05/2017

### ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

- (i) In respect of Fixed Assets :
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
  - (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
  - (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) The Company has not granted any loans, secured or unsecured to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act, 2013. Accordingly, the provision of the Clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) 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) 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 the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable to the Company.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of activities carried on by the Company.
- (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:



## MUNOTH FINANCIAL SERVICES LIMITED

- (a) The company has generally been regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 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 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 and Excise Duty which have not been deposited on account of any disputes .
- (viii) According to the records of the company examined by us and as per the information and explanations given to us, 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 raised money by way of initial public offer/ further public offer (including debt instruments) or raised any term loans and hence reporting under Clause 3 (ix) of the Order is not applicable to the Company and hence not commented upon.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or the Company by its officers or employees has been noticed or reported 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) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the CARO 2016 is not applicable
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3 (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 Mardia & Associates**

*Chartered Accountants*

Firm's registration number: 007888S

(Manish Mardia)

Proprietor

Membership number: 205307

Place : Chennai  
Date : 23/05/2017



**MUNOTH FINANCIAL SERVICES LIMITED****Balance Sheet as at 31 March, 2017****(In Rs)**

Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	51,612,500	51,612,500
(b) Reserves and surplus	3	<u>54,939,367</u>	<u>55,795,032</u>
		<u>106,551,867</u>	<u>107,407,532</u>
<b>2 Non-current liabilities</b>			
(a) Deferred tax liability	4	(231,680)	(211,255)
(b) Long-term provisions	5	<u>1,038,560</u>	<u>988,801</u>
		<u>806,880</u>	<u>777,546</u>
<b>3 Current liabilities</b>			
(a) Short Term Borrowings	6	15,139,267	15,793,065
(b) Trade payables	7	2,023,956	930,642
(c) Other current liabilities	8	<u>1,430,273</u>	<u>1,779,415</u>
		<u>18,593,497</u>	<u>18,503,122</u>
<b>TOTAL</b>		<b><u>125,952,244</u></b>	<b><u>126,688,200</u></b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	40,966,580	41,481,047
(ii) Intangible assets		<u>2,307,269</u>	<u>2,502,199</u>
		<u>43,273,849</u>	<u>43,983,246</u>
(b) Non-current investments	10	55,414,759	55,414,759
(c) Long-term loans and advances	11	<u>7,538,802</u>	<u>7,858,740</u>
		<u>62,953,562</u>	<u>63,273,499</u>
<b>2 Current assets</b>			
(a) Trade receivables	12	2,637,627	1,930,632
(b) Cash and Bank balances	13	12,326,150	11,668,586
(c) Short-term loans and advances	14	191,642	511,230
(d) Other current assets	15	<u>4,569,415</u>	<u>5,321,007</u>
		<u>19,724,833</u>	<u>19,431,455</u>
<b>TOTAL</b>		<b><u>125,952,244</u></b>	<b><u>126,688,200</u></b>

Significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For MARDIA & ASSOCIATES**Chartered Accountants  
Firm Reg No: 007888S**(MANISH MARDIA)**Proprietor  
M. No 205307PLACE : CHENNAI  
DATE : 23/05/2017**For and on behalf of the Board of Directors****LALCHAND MUNOTH** **JASWANT MUNOTH**  
Chairman Managing Director & CEO**BHARAT MUNOTH** **VIKAS MUNOTH**  
Director Whole time Director & CFO**A. G. NANDINI**  
Company Secretary



## MUNOTH FINANCIAL SERVICES LIMITED

### Statement of Profit and Loss for the year ended 31 March, 2017 (In Rs)

Particulars	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>I Income</b>			
(a) Revenue from operations	16	9,645,496	8,833,370
(b) Other income	17	691,582	952,738
Total revenue		<u>10,337,078</u>	<u>9,786,108</u>
<b>II Expenses</b>			
(a) Employee benefit expenses	18	4,665,451	4,756,195
(b) Finance costs	19	253,949	487,561
(c) Depreciation and Amortisation expense	9	709,397	1,182,912
(d) Other expenses	20	5,584,371	5,342,824
Total expenses		<u>11,213,167</u>	<u>11,769,492</u>
<b>III Profit / (Loss) before tax</b>		(876,090)	(1,983,384)
<b>IV Tax expense:</b>			
(a) Current tax		-	-
(b) Deferred tax		(20,425)	(94,539)
<b>V Profit / (Loss) for the year</b>		<u>(855,665)</u>	<u>(1,888,845)</u>
<b>VI Earnings per share ( of Rs. 10/- each ) : 21</b>			
(a) Basic		(0.17)	(0.37)
(b) Diluted		(0.17)	(0.37)

Significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For MARDIA & ASSOCIATES**

Chartered Accountants  
Firm Reg No: 007888S

**(MANISH MARDIA)**  
Proprietor  
M. No 205307

PLACE : CHENNAI  
DATE : 23/05/2017

**For and on behalf of the Board of Directors**

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

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

**A. G. NANDINI**  
Company Secretary



## MUNOTH FINANCIAL SERVICES LIMITED

### Cash Flow Statement for the year ended 31 March 2017

(In Rs)

	Year ended 31 March 2017 Rs.	Year ended 31 March 2016 Rs.
<b>A. Cash flow from operating activities</b>		
[a] Net Profit / (Loss) before tax	(876,090)	(1,983,384)
Add: Prior Period adjustment included in Balance sheet	-	-
<b>Total</b>	<b>(876,090)</b>	<b>(1,983,384)</b>
<i>Adjustments for:</i>		
Depreciation and amortisation	709,397	1,182,912
(Profit) / loss on sale / write off of assets	-	(135,912)
Finance cost	253,949	487,561
Interest income	(435,588)	(659,546)
Dividend income	(225,981)	(54,507)
Net (gain) / loss on sale of investments	-	-
	<u>301,777</u>	<u>820,508</u>
[b] Operating profit / (loss) before working capital changes	(574,312)	(1,162,876)
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	(706,995)	77,913
Short-term loans and advances	319,588	(396,063)
Long-term loans and advances	319,938	3,606,729
Other current assets	751,592	6,883,324
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Short term Borrowings	(653,798)	(2,832,398)
Trade payables	1,093,314	(2,268,582)
Other current liabilities	(349,142)	78,717
Long-term provisions	49,759	264,910
	<u>824,257</u>	<u>5,414,550</u>
[c] Net cash from Operating Activities (A)	<u>249,945</u>	<u>4,251,674</u>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets	-	(1,334,550)
Purchase of long-term investments	-	(5,850,000)
Proceeds from Sale of Motor Car	-	200,000
Interest received	435,588	659,546
Dividend received	225,981	54,507
<b>Net Cash From Investing Activities (B)</b>	<u>661,568</u>	<u>(6,270,497)</u>



## MUNOTH FINANCIAL SERVICES LIMITED

### C. Cash flow from financing activities

Finance cost	<u>(253,949)</u>	<u>(487,561)</u>
<b>Net Cash From Financing Activities (C)</b>	(253,949)	(487,561)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	657,565	(2,506,384)
Cash and cash equivalents at the beginning of the year	3,640,631	6,147,014
Cash and cash equivalents at the end of the year	<u>4,298,196</u>	<u>3,640,631</u>
Cash & Cash Equivalents		
A. Cash on hand	27,359	576,242
B. Balances with banks		
(i) In current accounts	<u>4,270,837</u>	<u>3,064,393</u>
	<u>4,298,196</u>	<u>3,640,631</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 : 23/05/2017

#### For and on behalf of the Board of Directors

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

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

**A. G. NANDINI**  
Company Secretary



## MUNOTH FINANCIAL SERVICES LIMITED

Notes to financial statement for the year ended 31 March 2017

### 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 Stock Exchange. 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 : 1

#### SIGNIFICANT ACCOUNTING POLICIES

##### A ] Basis of Preparation

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

##### B] Use of Estimates

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

##### C] Revenue Recognition

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

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

##### D] Interest on Income Tax Refunds / Demands

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

##### E] Foreign Exchange Transactions

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

##### F] Taxation

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

##### G] Retirement Benefits

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



## MUNOTH FINANCIAL SERVICES LIMITED

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

### **H] Fixed Assets & Depreciation**

#### **i. Tangible Assets**

##### **Gross Block :**

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

##### **Depreciation :**

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

#### **ii. Intangible Assets**

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

### **I] Investments**

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

### **J] Segment Reporting**

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

### **K] Earnings Per Share**

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

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

### **L] Cash Flow Statements**

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

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

### **M] Cash & Cash Equivalents**

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

### **N] Provisions & Contingent liabilities**

The Current Assets, Loans and Advances other than doubtful have the value at which they are stated in the Balance sheet, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are disclosed as Contingent Liabilities.



## MUNOTH FINANCIAL SERVICES LIMITED

### Note 2 Share capital

Particulars	As at 31 March, 2017 (In Rs.)		As at 31 March, 2016 (In Rs.)	
(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	90,700	259,500	90,700	259,500
<b>Total</b>	<b>5,226,300</b>	<b>51,612,500</b>	<b>5,226,300</b>	<b>51,612,500</b>

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

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

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

### [B] Terms/Rights attached to Equity shares

The Company has only one class of Equity shares having a Par value of Rs.10/- Per share. Each Holder of Equity Share is entitled to one vote per share. No dividend has been recognised as distribution to Equity shareholders for the Year ended 31.03.2017 ( 31.03.2016 : Rs. NIL )

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

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

Name of the shareholders	No. of Shares	% of Holding
1.Lalchand Munoth	687,100	13.15
2 Jaswant munoth	815,200	15.60
3 Bharat Munoth	717,900	13.74
4 Vikas Munoth	994,500	19.03
5 Munoth Communication Ltd	1,006,100	19.25



## MUNOTH FINANCIAL SERVICES LIMITED

<b>Note 3 Reserves and surplus</b>			<b>(In Rs)</b>
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>	
(a) Securities premium account	20,250,000	20,250,000	
(b) Revaluation Reserve Account			
Opening Balance	35,976,570	35,976,570	
Add : Revaluation of Free Hold Land	-	-	
Closing Balance	35,976,570	35,976,570	
(b) Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	(431,538)	1,457,307	
Add: Profit / (Loss) for the year	(855,665)	(1,888,845)	
Add: Adjustment Relating to Fixed Asset	-	-	
Closing balance	<u>(1,287,203)</u>	<u>(431,538)</u>	
<b>Total</b>	<b><u>54,939,367</u></b>	<b><u>55,795,032</u></b>	
<b>Note 4 Deferred tax liability (NET)</b>			<b>(In Rs)</b>
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>	
Opening Balance	(211,255)	(116,716)	
DTL on Timing Difference : Depreciation	<u>(20,425)</u>	<u>(94,539)</u>	
<b>Net deferred tax Liability</b>	<b><u>(231,680)</u></b>	<b><u>(211,255)</u></b>	
<b>Note 5 Long-term provisions</b>			<b>(In Rs)</b>
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>	
(a) Provision for employee benefits:			
(i) Provision for gratuity	1,038,560	988,801	
<b>Total</b>	<b><u>1,038,560</u></b>	<b><u>988,801</u></b>	
<b>Note 6 Short Term Borrowings</b>			<b>(In Rs)</b>
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>	
Loans and Advances			
Secured			
Toyota Financial Services - Car Loan	177,419	276,217	
Unsecured			
Loan from director	14,961,848	15,516,848	
<b>Total</b>	<b><u>15,139,267</u></b>	<b><u>15,793,065</u></b>	
<b>Note 7 Trade payables</b>			<b>(In Rs)</b>
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>	
Trade payables*	2,023,956	930,642	
<b>Total</b>	<b><u>2,023,956</u></b>	<b><u>930,642</u></b>	
* The company does not have any dues towards Micro, Small and Medium Enterprises			
<b>Note 8 Other current liabilities</b>			<b>(In Rs)</b>
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>	
Statutory Dues	105,213	114,243	
Margin money received from Clients	981,986	1,072,304	
Outstanding Expenses	343,074	567,868	
Remuneration payable	-	25,000	
<b>Total</b>	<b><u>1,430,273</u></b>	<b><u>1,779,415</u></b>	





**NOTES - 9 FIXED ASSETS**

(Rs.)

NAME OF ASSETS	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at April 1, 2016	Addition during the year	Sales/Adj during the year	Revaluation during the year	As at March 31, 2017	Upto March 31, 2016	For the year	Sales/Adj during the year	Upto March 31, 2017	As at March 31, 2016	As at March 31, 2017
<b>Tangible Assets</b>											
Freehold Land	38,456,000	-	-	-	38,456,000	-	-	-	-	38,456,000	38,456,000
Buildings	3,579,518	-	-	-	3,579,518	2,091,544	73,035	-	2,164,579	1,487,974	1,414,939
Furnitures & Fixtures	4,399,429	-	-	-	4,399,429	4,064,166	76,575	-	4,140,741	335,263	258,688
Vehicles (motor car)	1,431,959	-	-	-	1,431,959	877,683	152,309	-	1,029,992	554,276	401,967
Office Equipment (AC+Music system+fire alarm+office eq+access control+ electrical fittings)	2,595,972	-	-	-	2,595,972	2,196,831	91,602	-	2,288,433	399,141	307,539
Computer	6,788,742	-	-	-	6,788,742	6,540,349	120,946	-	6,661,295	248,393	127,447
	57,251,620	-	-	-	57,251,620	15,770,573	514,467	-	16,285,040	41,481,047	40,966,580
<b>Intangible Assets</b>											
MSE Membership Card	2,000,000	-	-	-	2,000,000	-	-	-	-	2,000,000	2,000,000
Software	6,108,841	-	-	-	6,108,841	5,606,642	194,930	-	5,801,572	502,199	307,269
	8,108,841	-	-	-	8,108,841	5,606,642	194,930	-	5,801,572	2,502,199	2,307,269
<b>Total ( As on 31.03.2017 )</b>	<b>65,360,461</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,360,461</b>	<b>21,377,215</b>	<b>709,397</b>	<b>-</b>	<b>22,086,612</b>	<b>43,983,246</b>	<b>43,273,848</b>
<b>Total ( As on 31.03.2016 )</b>	<b>64,392,608</b>	<b>1,334,550</b>	<b>366,697</b>	<b>-</b>	<b>65,360,461</b>	<b>20,496,915</b>	<b>1,182,912</b>	<b>302,609</b>	<b>21,377,215</b>	<b>43,895,694</b>	<b>43,983,246</b>

**Note :**

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



## MUNOTH FINANCIAL SERVICES LIMITED

### Note 10 Non-current investments

(In Rs)

Particulars	As at 31 March, 2017			As at 31 March, 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
(a) Investments (At cost):						
Non Trade Investment in equity instruments	26,466,214	28,948,545	55,254,264	26,466,214	28,948,545	55,254,264
<b>Total</b>			<b><u>55,414,759</u></b>			<b><u>55,414,759</u></b>

(i) The Market Value of Aggregated Quoted investments amounts to Rs. 50,66,383/-

(ii) The company has not made provision for a sum of **Rs. 2,13,99,831** (Previous year Rs. 2,19,92,156) 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.

#### DETAILS OF THE SHARES AS ON 31.3.2017

#### In Equity Shares of Indian Companies      As at 31 March, 2017      As at 31 March, 2016

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
(i) <b>QUOTED</b>				
# Bafna Spinning	500	2,900	500	2,900
# Bonanza Pharma	100	775	100	775
# Oswal Chemicals	5	12,636	50	12,636
# Siris Ltd	200	16,846	200	16,846
Agritech India	2140	2,140	2140	2,140
Antartica Ltd	1000	2,369	1000	2,369
Arihant Constyn	150	600	150	600
ATV Projects	300	5,100	300	5,100
Bajaj Auto	148	271,878	148	271,878
Bhirwani Denim	200	1,250	200	1,250
Biofil Chemical	1000	1,000	1000	1,000
Blue Bend Petro	350	1,050	350	1,050
BTW Industries	100	300	100	300
Cable Corporation	1000	1,500	1000	1,500
Celebrity Fashions	1873	256,099	1873	256,099
Computer Power	184000	65,900	184000	65,900
Concert Spices	100	300	100	300
Consolidated Fibre	100	400	100	400
Coromandel Finance	900	6,300	900	6,300
CT Cotton Yarn	300	3,550	300	3,550
Deccan Granites	100	1,100	100	1,100
Origin Argostar Ltd	170	23,800	170	23,800
Dynavision	200	650	200	650
Essar Steel	114	32,940	114	32,940
Europeon Software	600	300	600	300
Fab Worth	100	1,975	100	1,975
Finolex Industries	100	6,035	100	6,035
Gangadharan Appliances	226	2,599	226	2,599
Golden Textiles	1300	3,900	1300	3,900
Gujrat Ambuja Cot Spin Limited	400	3,200	400	3,200
Gujrat Cotex	300	2,955	300	2,955

**MUNOTH FINANCIAL SERVICES LIMITED**

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
Harayana Petro	400	3,000	400	3,000
Hindustan Lever Ltd	1	173	1	173
MW Unitexx Ltd	105	105	105	105
Information Tech Ltd	5425	5,425	5425	5,425
ISL Consulting Ltd	1400	4,200	1400	4,200
JSW Steel Ltd 0.01% Preference	4000	118,920	4000	118,920
Comex Technologies Ltd	3636	514,400	3636	514,400
Jaswal Granites	600	3,100	600	3,100
Jay Flash	19500	58,500	19500	58,500
Kirlosker Electricals	100	1,926	100	1,926
Krishna Life	1000	993	1000	993
Kumar Metallurgical	300	750	300	750
L M L	450	7,534	450	7,534
Mercantile Ventures Ltd	7000	77,000	7000	77,000
Midland Plastics	200	1,800	200	1,800
Modern Synthetics	1150	14,893	1150	14,893
Modi Threads	200	900	200	900
Munoth Communication Ltd	807682	15,996,254	807682	15,996,254
Natural Stone	900	5,400	900	5,400
NEPC India	200	4,188	200	4,188
Network Ltd	200	6,100	200	6,100
Omnitech Infosolu LT	2000	534,655	2000	534,655
Oswal Agro	350	546	350	546
Padmini Technology	700	1,400	700	1,400
Pan Asia Industries	100	1,200	100	1,200
PBA Infrastructure	2500	325,124	2500	325,124
Power Grid Corporation	78	12,835	78	12,835
Premier Ltd	100	5,325	100	5,325
Premier Plantations	100	200	100	200
Rajarithan Synthetic	600	3,000	600	3,000
Rathi Alloy and Steel	300	1,350	300	1,350
Reliance Capital Limited	2400	3,399,655	2400	3,399,655
Reliance Communication Ltd	4377	1,494,933	4377	1,494,933
Reliance Industries Ltd	250	450,973	250	450,973
Rishab Financial Services Ltd	18000	448,740	18000	448,740
Reliance Power Ltd	5000	1,930,429	5000	1,930,429
S Kumar Online	1000	2,000	1000	2,000
SAL Steel	10000	247,809	10000	247,809
Sanghi Poly Ltd	300	6,195	300	6,195
Sarala Gems Ltd	200	650	200	650
Silver Tech	6	590	6	590
Nextgen Animation Media Ltd	2	197	2	197
State Bank of India	13	14,047	13	14,047
Sudati Hosiery	300	3,000	300	3,000
Sunpharma Ltd	100	-	100	-
Super Forgings	200	3,300	200	3,300
Tirumal Textiles Process	400	2,000	400	2,000
TN Sponge	100	400	100	400
TNPL	100	8,254	100	8,254
Uniworth International	150	1,550	150	1,550
Vantel Tech	50	50	50	50
Veena Textiles	200	1,500	200	1,500



## MUNOTH FINANCIAL SERVICES LIMITED

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
Videocon VCR	100	1,600	100	1,600
Vikas WSP Ltd	3000	3,000	3000	3,000
Vishal Exports-(Bonus)	1000	-	1000	-
Welwin	100	<u>1,800</u>	100	<u>1,800</u>
		<u>26,466,214</u>		<u>26,466,214</u>
<b>(ii) UNQUOTED</b>				
Arihant Fabrics	50	100.0	50	100.0
# Benaras Bank	87490	4,811,950.0	87490	4,811,950.0
# Deve Sugar	9400	1,410,000.0	9400	1,410,000.0
# Parvathi Hi tech	10000	100,000.0	10000	100,000.0
*# Rayalaseema Paper Mills	112000	11,200,000.0	112000	11,200,000.0
# Rhino Tyres	200	1,000.0	200	1,000.0
Madras Enterprises Ltd	285000	15,000.0	285000	15,000.0
India Mobile Network P Ltd	50000	500,000.0	50000	500,000.0
South India Chemicals & Leasing P Ltd	7500	2,400,000.0	7500	2,400,000.0
Sankeshwara Finance & Investments P Ltd	20000	2,000,000.0	20000	2,000,000.0
Misrimal Navajee Estates P Ltd	5000	500,000.0	5000	500,000.0
Munoth Industries Limited	450000	5,850,000.0	0	5,850,000.0
Munoth Negwindfarm P Ltd	59000	<u>160,495</u>	59000	<u>160,495</u>
<b>TOTAL</b>		<b><u>28,948,545</u></b>		<b><u>28,948,545</u></b>
<b>GRAND TOTAL</b>		<b><u>55,414,759</u></b>		<b><u>55,414,759</u></b>

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

# Shares not held in the name of the Company

### Note 11 Long-term loans and advances

(In Rs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Security deposits		
Secured, considered good	5,745,005	5,910,005
(b) Prepaid expenses	1,742,636	1,897,574
(c) MAT credit entitlement	51,161	51,161
<b>Total</b>	<b><u>7,538,802</u></b>	<b><u>7,858,740</u></b>

### Note 12 Trade receivables

(In Rs)

Particulars	As at 31 March, 2016	As at 31 March, 2015
A. Outstanding for a period exceeding six months from the due date		
Considered good	1,295,019	1,263,812
B. Outstanding for a period less than six months from the due date		
Considered good	1,342,608	666,820
<b>Total</b>	<b><u>2,637,627</u></b>	<b><u>1,930,632</u></b>

**MUNOTH FINANCIAL SERVICES LIMITED**

<b>Note 13 Cash &amp; Bank Balance</b>		<b>(In Rs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>	
Cash & Cash Equivalents			
A. Cash on hand	27,359		576,242
B. Balances with banks			
(i) In current accounts	<u>4,270,837</u>		<u>3,064,393</u>
	<u>4,298,196</u>		<u>3,640,635</u>
Others			
A. Deposit with bank with 3-12 months maturity	<u>8,027,954</u>		<u>8,027,954</u>
<b>Total</b>	<b><u>12,326,150</u></b>		<b><u>11,668,586</u></b>
<b>Note 14 Short-term loans and advances</b>		<b>(In Rs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>	
(a) Loans and advances to employees			
Unsecured, considered good	<u>191,642</u>		<u>511,230</u>
<b>Total</b>	<b><u>191,642</u></b>		<b><u>511,230</u></b>
<b>Note 15 Other current assets</b>		<b>(In Rs)</b>	
<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>	
((a) Accruals			
Interest accrued on deposits	6,750		47,085
(b) Others			
Income Tax Refund Due	1,485,131		1,485,131
Income Tax Refund Due	(9,832)		-
Prepaid Expenses	161,529		240,310
Federal Bank Interest Receivable	-		337,021
DP Amc and Transactions receivable	2,279,281		2,364,464
Service tax input	168,097		241,585
TDS Receivable	<u>478,460</u>		<u>605,411</u>
<b>Total</b>	<b><u>4,569,415</u></b>		<b><u>5,321,007</u></b>



## MUNOTH FINANCIAL SERVICES LIMITED

<b>Note 16 Revenue from operations</b>	<b>(In Rs)</b>	
<b>Particulars</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
DP and AMC Transaction Charges	591,939	666,431
Merchant Banking & PMS	7,502,431	5,786,300
Brokerage and Turnover charges	1,551,126	2,380,639
<b>Total</b>	<b><u>9,645,496</u></b>	<b><u>8,833,370</u></b>
<b>Note 17 Other income</b>	<b>(In Rs)</b>	
<b>Particulars</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Interest income	435,588	659,546
Dividend income	225,981	54,507
Profit on sale of Motor Car	-	135,912
Interest on income tax refund	18,456	78,369
Miscellaneous income	11,558	24,404
<b>Total</b>	<b><u>691,582</u></b>	<b><u>952,738</u></b>
<b>Note 18 Employee benefits expense</b>	<b>(In Rs)</b>	
<b>Particulars</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Salaries and wages	4,281,023	4,268,372
Contributions to provident and other funds	229,787	233,126
Staff welfare expenses	154,641	254,698
<b>Total</b>	<b><u>4,665,451</u></b>	<b><u>4,756,196</u></b>
<b>Note 19 Finance costs</b>	<b>(In Rs)</b>	
<b>Particulars</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Interest expenses	28,807	222,885
Bank Guarantee Charges	220,241	221,076
Bank charges	4,901	43,600
<b>Total</b>	<b><u>253,949</u></b>	<b><u>487,561</u></b>
<b>Note 20 Other expenses</b>	<b>(In Rs)</b>	
<b>Particulars</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Power and fuel	518,612	644,542
Repairs and maintenance		
- Machinery	338,397	289,740
- Others	665,595	401,548
Investment Manager Fund Expense	468,601	468,591
Insurance	46,401	63,417
Bad Debts	502,021	-
Rates and taxes	-	5,610



## MUNOTH FINANCIAL SERVICES LIMITED

Telephone Charges	214,388	204,813
Travelling and conveyance	127,989	245,777
Printing and stationery	189,525	155,691
Business promotion	150,175	124,708
Legal and professional fees	67,394	525,957
NSDL Transaction charges	283,931	171,155
Provision for gratuity	49,759	264,910
Vsat charges	15,225	1,339
License fees PMS	166,666	109,246
License fees MBD	300,000	300,000
Lease Line charges	86,961	102,979
NSE Transaction charges - Equity & F&O	184,706	316,630
Prior Period Items	109,011	-
Annual Subscription fees	306,450	252,609
Clearing & Settlement charges	2,630	21,125
Professional tax	2,190	1,095
General Expense	313,657	331,007
Fines and Penalties	2,554	200
Advertisement Expense	165,003	12,918
Auditor's Remuneration :		
- Statutory Audit Fee	75,000	75,000
- Limited Review	13,500	13,500
- Certification	38,000	38,000
Miscellaneous expenses	180,028	200,717
<b>Total</b>	<b>5,584,371</b>	<b>5,342,824</b>

### Note 21 Earnings per share

(In Rs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>Basic and Diluted</b>		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(855,665)	(1,888,845)
Weighted average number of equity shares	5,135,300	5,135,300
Par value per share	10	10
<b>Earnings per share</b>	<b>(0.17)</b>	<b>(0.37)</b>

### NOTE : 22

#### DISCLOSURE OF RELATED PARTIES/RELATED PARTY TRANSACTIONS

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

###### (I) Key Management personnel and their relatives:-

- Lalchand Munoth
- Jaswant Munoth
- Bharat Munoth
- Vikas Munoth

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

- Munoth Communication Limited
- Munoth Industries Limited



## MUNOTH FINANCIAL SERVICES LIMITED

B. Disclosure of Related Party Transactions	Party	Current Year Rs.	Previous Year Rs.
<b>(I) Key Management personnel and their relatives:-</b>			
a) Remuneration and perks	Jaswant Munoth	1,500,000	1,500,000
b) Interest Paid	Bharat Munoth	255,000	-
c) Interest Paid	Lalchand Munoth	300,000	-
d) Outstanding balances in loans & advances	Bharat Munoth	11,200,000	11,200,000
e) Outstanding balances in loans & advances	Lalchand Munoth	3,500,000	3,500,000
<b>(II) Enterprises owned or significantly influenced by Key management personnel or their relatives ( either individually or with others )</b>			
a) Purchase of Investments	Munoth Industries Limited	-	5,850,000

### NOTE : 23

#### EMPLOYEE BENEFITS ( AS - 15 )

##### Defined contribution plan :

The Company makes Recognized Provident Fund contributions and Employees State Insurance Contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 2,29,787 (Year ended 31 March, 2017) for Provident Fund contributions and Employees State Insurance Contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

### NOTE : 24

#### EXPENDITURE IN FOREIGN CURRENCY

Particulars	Current Year	Previous Year
Expenditure towards Foreign Travel	-	-

### NOTE : 25

#### CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	Current Year	Previous Year
a) Guarantees issued by the company's banker -Guarantee given by HDFC Bank & Federal Bank to Stock Exchanges	11,350,000	11,350,000
b) Estimated Liability on account of certain taxes and duties not provided for - Income Tax Appeals pending before CIT(Appeals)	-	58,004





## MUNOTH FINANCIAL SERVICES LIMITED

26. 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.
27. Bangalore branch transactions are consolidated in respective heads in Head office account.
28. Previous year figures have been regrouped and rearranged wherever necessary to conform to this year classification.
29. Disclosure to Specified Notes

Closing Balance as at 08th November 2016	SBNs - 500 ,1000		Other Denomination		Total	
	Demonisation	Amount	Demonisation	Amount	Demonisation	Amount
Cash Balance		572,114.91				
Transaction between 9th November 2016 to 30 December 2016						
Add : Withdrawal from Bank		41,000.00				
Add : Receipts for Permitted Transaction		10,873.00				
Add : Receipts for Non - Permitted Transaction (if any )		-				
<b>Total</b>		623,987.91				
Less : Paid for Permitted Transaction		26,255.00				
Less : Paid for Non - Permitted Transaction		-				
Less : Deposited in Bank Accounts		562,335.00				
<b>Total</b>		588,590.00				
Closing Balance as at 30th December 2016		35,397.91				

### Denomination

Amount	2000	1000	500	100	50	20	10	coins
380000		*380						
170000		*117	*106					
4855	*1		*4	*6	*2	*6	*3	5*1
4510	*2			*5			*1	
2970	*1		*1	*3		*8	*1	

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 : 23/05/2017

### For and on behalf of the Board of Directors

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

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

**A. G. NANDINI**  
Company Secretary





**MUNOTH FINANCIAL SERVICES LIMITED**

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

**CIN:L65991TN1990PLC019836**

**ATTENDANCE SLIP**

**26<sup>th</sup> 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 Sixth Annual General Meeting of the Company held on Thursday, 31st August, 2017, at 10.30 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**

**26<sup>th</sup> ANNUAL GENERAL MEETING**

**Proxy form**

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

CIN: L65991TN1990PLC019836

Name of the company: MUNOTH FINANCIAL SERVICES LIMITED

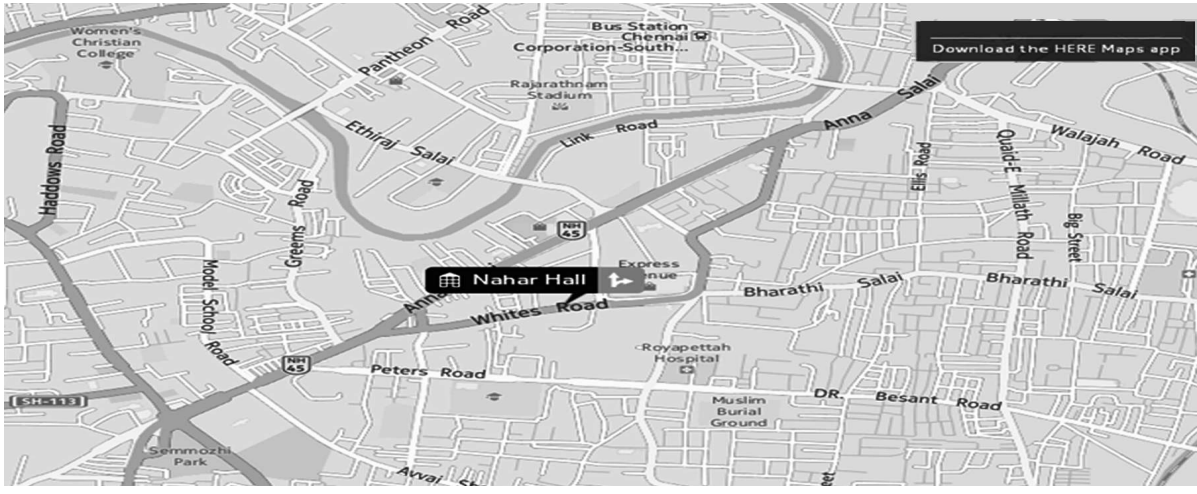
Registered office: Suite No. 46 & 47, Munoth Centre, 3rd Floor, 343 Triplicane High Road, Chennai - 600 005

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

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

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

*As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual general meeting of the company, to be held on Thursday 31st August, 2017, at 10.30 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	Optional	
		For	Against
	<i>Ordinary Business</i>		
1.	Adopt the Audited Financial statements of the Company for the financial year ended March 31, 2017 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. Lalchand Munoth as Director who retires by rotation		
3.	Re-appointment of Mr. Jaswant Munoth as Director who retires by rotation		
4.	Re-appointment of Mr. Bharat Munoth as Director who retires by rotation		
5.	Appointment of Auditors		
	<i>Special Business</i>		
6.	Reappointment of Mr. Jaswant Munoth as Managing Director		

Signed this ..... day of ..... 2017

\_\_\_\_\_  
Signature of shareholder

Affix 1/-  
Revenue  
Stamp

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

**Note:**

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