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## Corporate Information

### Board of Directors

Shantilal M Jain  
Sumit Khanna

Siddharth S Jain  
Varsha Gulecha

### Auditors

Vijay R Tater & Co.

### Bankers

HDFC Bank Limited  
ICICI Bank Limited  
Bank of Maharashtra

### Registrar & Transfer Agent

PURVA SHAREGISTRY (INDIA) PVT. LTD.  
Shiv Shakti Industrial Estates, Unit No. 9  
7-B, J. R. Boricha Marg,  
Sitaram Mill Compound, Mumbai – 400 011.

### Registered Office:

Shanti Nivas – Office Building,  
Opposite Shapath V,  
Near Karnavati Club,  
S.G Road,  
Ahmedabad – 380058  
Contact No: +91 79 26937954

Listing: Listed in BSE

CIN: L99999GJ1986PLC083614

## NOTICE TO THE MEMBERS

NOTICE is hereby given that 34th ANNUAL GENERAL MEETING of the Members of M/s. MUNOTH CAPITAL MARKET LIMITED (CIN: L99999GJ1986PLC083614) will be held on Wednesday, 14<sup>th</sup> September, 2016 at 11:00 a.m. at the Registered Office of the Company situated at Shanti Nivas, Opp. Shapath - V, Nr. Karnavati Club, S.G.Road, Ahmedabad -380058, Gujarat, India, to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 and Reports of the Board of Directors and Auditors thereon.
2. To appoint director in place of Mr. Shantilal Misrimal Jain (DIN: 00370624), who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. Vijay R. Tater & Co, Chartered Accountants (Firm Registration No. 111426W), Mumbai, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mrs. Varsha Aakesh Gulecha (DIN: 07283903), who was appointed as an Additional Director of the Company by Board of Directors in their meeting held on 16/09/2015,

pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of next Annual General meeting and in respect to whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, signifying his intention to Mrs. Varsha Aakesh Gulecha as a candidature for the office of Director of the Company, be and is hereby appointed as an Independent Woman Director of the Company to hold office for a term of 5 (five) consecutive years w.e.f. 30<sup>th</sup> September, 2015 and not liable to retire by rotation."

BY ORDER OF THE BOARD

DATE : 30.05.2016

sd

PLACE : Ahmedabad

DIRECTOR  
(DIN: 00370624)

NOTES:

- a) A Member is entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a Member. The instrument appointing a proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- b) The members are requested to notifying change in their address to the Company quoting their folio number at the earliest to avoid inconvenience at a later stage.
- c) Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting.
- d) Shareholders seeking any information with regards to accounts are requested to write to the Company at least 7 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
- e) Members / Proxies should bring the Attendance Slip attached herewith duly filled in for attending the meeting.
- f) Members, who hold shares in de-materialization form, are requested to bring their depository account number for identification.
- g) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- h) The Register of Members and Share Transfer Books of the Company will remain closed from 01/09/2016 to 14/09/2016 (both days inclusive).
- i) Members Companies / Organization are requested to send a copy of the Resolution of their Governing Body authorizing their representative to attend and vote at this Annual General Meeting.
- j) Relevant Documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11:00 a.m. and 1:00 p.m. up to the date of meeting.
- k) 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 Company/ Purva Sharegistry (India) Pvt. Ltd.
- l) To support the "Green initiative in Corporate Governance" taken by Ministry of Corporate Affairs by allowing paperless compliance, the Company has taken an initiative of sending documents like notice/documents including the Annual Report by mail. Physical copies are sent only to those shareholders whose email addresses are not registered with the Company and for the bounced-mail cases. Shareholders are requested to register their email Id with Registrar and Share Transfer Agent/ concerned depository to enable the Company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.
- m) The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business set out above is annexed hereto.

- n) The route map showing directions to reach the venue of the AGM is annexed.
- o) Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and proxy form is being sent to all the members whose email IDs are registered with the Company/Depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and proxy form is being sent in the permitted mode.

p) **Voting through electronic means**

- I. In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Section 108 of the Companies Act, 2013 read with Rules 20 of the Companies (Management and Administration) Rule 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide e-voting facility to all its members to enable them to exercise their right to vote on all matters listed in this Notice by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited ("NSDL").
- II. The facility for voting either through remote e-voting or Ballot Paper or Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Saturday, 10<sup>th</sup> September, 2016 (9:30 am) and ends on Tuesday, 13<sup>th</sup> September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8<sup>th</sup> September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

- A) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
- i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - ii) Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>.
  - iii) Click on "Shareholder - Login".
  - iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi) Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
  - vii) Select "EVEN" of Munoth Capital Market Limited.
  - viii) Now you are ready for "e-Voting" as "Cast Vote" page opens.
  - ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
  - x) Upon confirmation, the message "Vote cast successfully" will be displayed
  - xi) Once you have voted on the resolution, you will not be allowed to modify your vote
  - xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are

authorized to vote, to the Scrutinizer through e-mail to pshah2908@gmail.com with a copy marked to evoting@nsdl.co.in.

B) In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

i) Initial Password will be provided separately:

Even (e-voting Event Number) USER ID PASSWORD/PIN

ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

VII. If you are already register with NSDL for e-voting then you can use your existing used ID and Password/PIN for casting your vote.

VIII. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 08/09/2016.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 8th September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

XIII. Mr. Pankaj K. Shah, Practising Chartered Accountant, Ahmedabad (Membership No. 034603) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.munoth.com](http://www.munoth.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

BY ORDER OF THE BOARD OF DIRECTOR

Date : 30.05.2016

sd

Place : Ahmedabad

DIRECTOR  
(DIN: 00370624)

Details of Directors Seeking Appointment / Re-Appointment at the Annual General Meeting:

Particulars	Mr. Shantilal Misrimal Jain (DIN: 00370624)	Mrs. Varsha Aakesh Gulecha (DIN: 07283903)
Date of Birth	18/08/1943	31/12/1983
Date of Appointment	04/09/1986	16/09/2015
Qualification	B.Com	B.Com
Expertise in specific functional area	Finance	Management
Directorship in other Companies	7	0
Number of Shares held in the Company	775422	0



Explanatory Statement Pursuant to section 102 of the Companies Act, 2013 ("the Act"):

Item No. 4

The Board of Directors of the Company had appointed Mrs. Varsha Aakesh Gulecha as a Non-executive Director of the Company as on 16th September, 2015. In accordance to the provisions of Section 161 of Companies Act, 2013, Mrs. Varsha Aakesh Gulecha shall hold office up to the date of the next Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto five years. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, signifying his intention to propose Mrs. Varsha Aakesh Gulecha as a candidature for the office of Director of the Company.

A brief profile of Mrs. Varsha Aakesh Gulecha, including nature of her expertise, is given in the Annexure to the Notice.

The Company has received a declaration of independence from Mrs. Varsha Aakesh Gulecha. In the opinion of the Board, Mrs. Varsha Aakesh Gulecha fulfills the conditions specified in the Companies Act, 2013 and the Listing Agreement, for appointment as Independent Woman Director of the Company. A copy of the draft Letter of Appointment for Independent Director, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

None of the Directors/manager and key managerial personnel (KMP) and/or relatives of directors, manager and KMP are interested in this resolution. The Board recommends the Ordinary Resolution set out at Item no. 4 for approval of the Members.

DATE: 30/05/2016  
PLACE: AHMEDABAD

FOR AND ON BEHALF OF THE BOARD

sd  
DIRECTOR  
(DIN: 00370624)

## DIRECTOR'S REPORT

To :  
THE MEMBERS :

The Board of Directors have pleasure in presenting the Annual Report together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2016.

### FINANCIAL RESULTS :

The Financial results for the year are as under :

Particulars	(Rs. In Lacs)	
	2015-16	2014-15
Total Income	66.79	86.58
Expenses	72.93	63.22
Profit / (Loss) Before Tax	(6.14)	23.36
Provision for Taxation		
■ Current Tax	--	4.86
■ Taxation Adjustment for P.Y.	0.11	1.76
■ Deferred Tax	0.30	0.13
Profit/(Loss) after Tax	(6.55)	16.61

### STATE OF COMPANY'S AFFAIRS:

The total income of the Company for the current year comes Rs. 66,79,262.00/- as compared to Rs. 86,57,953.00/- for previous financial year. The Company has incurred a loss of Rs. 6,54,699.00/- during the current year as compared to profit of Rs. 16,60,476.00/- for previous financial year.

### DIVIDEND AND RESERVE :

The Board of Directors do not recommend any Dividend and do not propose any amount of the profit to be transferred to reserves.

### DEPOSITS :

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### EXTRACT OF ANNUAL RETURN:

The Details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this report as Annexure – A and forms an integral part of this report.

### NUMBER OF BOARD MEETINGS:

The Board of Directors duly met Six times during the financial year from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

### DIRECTORS :

Mr. Shantilal Misrimal Jain (DIN: 00370624), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

The Board of Directors appointed Mrs. Varsha Aakesh Gulecha as a Non-Executive Director as on 16th September, 2015 to hold office upto the next Annual General meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, signifying his intention to propose Mrs. Varsha Aakesh Gulecha as a candidature for the office of Director of the Company. Your Director recommends her appointment at the Board.

The Company has received a declaration of independence from Mrs. Varsha Aakesh Gulecha (DIN: 07283903) confirming that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI Listing Regulations.

### BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance and that of its Committees and Directors pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015. The performance of the Board and committees were evaluated by the Board on the basis

of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors and assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and separately perform the duties.

#### COMMITTEES OF DIRECTORS:

The details of various Committee of Directors constituted by the Board of Directors under various provisions of Companies Act, 2013 and Rules made thereunder and Listing Regulations, Meetings & Attendance, terms of reference and other details are provided in the Corporate Governance Report annexed with the Directors' Report.

#### DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- i) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have 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 end of the financial year ended 31<sup>st</sup> March, 2016 and of the profit or loss of the company for the same period,
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; if any.
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have laid down internal financial controls in the Company that are adequate and were operating effectively.
  
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

#### CONSERVATION OF ENERGY ETC. :

The Company has no activities having conservation of Energy or technological absorption. The Company didn't have any foreign Expenditure or Earnings during the year under review.

#### AUDIT OBSERVATIONS:

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

#### AUDITORS:

##### STATUTORY AUDITORS:

As per provisions of Section 139 of the Companies Act, 2013 the appointment of Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Vijay R. Tater & Co., Chartered Accountants, Mumbai, (Firm Regn. No.: 111426W) as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with Section 141 of the Companies Act. 2013.

##### SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as part of this report as Annexure-B.

##### LISTING AGREEMENT WITH STOCK EXCHANGE:

Pursuant to the provisions of Listing Regulations, the Company declares that the Equity Share of the Company are listed on the BSE Limited (BSE). The Company has entered into new

Listing Agreement with BSE Ltd. in terms of provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 within the prescribed time limit.

The Company confirms that it has paid the Annual Listing Fees for the year 2016-17 to BSE where the Company's shares are listed.

**DEMATERIALISATION OF SHARES:**

86.01% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2016 and balance 13.99% is in physical form. The Company's Registrar is M/s. Purva Sharegistry (India) Private Limited having their Registered office at 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Lower Parel (East), Mumbai - 400011.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

In terms of provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report has been enclosed herewith as per Annexure –C and forming part of the Directors' Report.

**CORPORATE GOVERNANCE :**

It is not mandated to company to give a report on Corporate Governance as the provisions of SEBI Listing Regulations regarding Corporate Governance is not applicable to the Company but for better governance a separate Report on Corporate Governance for the year ended on 31<sup>st</sup> March, 2016 is attached herewith as a part of this report viz Annexure –D.

A certificate on its compliance from M/s. Pankaj K. Shah Associates, Chartered Accountant, is obtained and annexed to the Corporate Governance Report.

**DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:**

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

**VIGIL MECHANISM:**

The Company has a Vigil mechanism and whistle blower policy under which the employees are free to report any act of serious misconduct or wrongful activity being occurred or suspected to occur within the organization. No employee of the Company is denied access to the Audit Committee.

**RELATED PARTY TRANSACTIONS:**

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Hence, no particulars are being provided in Form AOC-2.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**REMUNERATION OF THE DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP)/EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company and Directors is furnished hereunder:

Sr. No.	Name	Designation	Remuneration paid FY 2015-16. Rs. In Lakhs	Remuneration paid FY 2014-15. Rs. In Lakhs	Increase in remuneration from previous year Rs. In Lakhs
1	Shantilal Misrimal Jain (DIN: 00370624)	Director	--	--	--
2	Siddharth Shantilal Jain (DIN: 00370650)	Director	--	--	--

3	Mukesh Hakralal Patel (DIN: 05179865)	Director	--	--	--
4	Sumit Khanna (DIN: 01180220)	Director	--	--	--
5	Varsha Aakesh Gulecha (DIN: 07283903)	Director	--	--	--

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES AND THEIR PERFORMANCE AND FINANCIAL POSITION:

**Wholly owned Subsidiary Company:**

The Company has subsidiary M/s. Munoth Retail Private Limited as on March 31, 2016. There has been no material change in the nature of the business of the subsidiary.

The Financial results of the Subsidiary M/s. Munoth Retail Private Limited for the year are as under :

PARTICULARS	(Rs. In Lac)	
	2015-16	2014-15
Total Income	--	--
Total Expenditure	133.51	63.59
Profit/(Loss) before Tax	(133.51)	(63.59)
Provision for Taxation :		
- Current Tax	--	--
Profit/(Loss) after Taxation	(133.51)	(63.59)

As required under SEBI Listing Regulations, consolidated financial statement of the Company and its subsidiary is attached. The consolidated financial statement has been prepared in accordance with section 129(3) of the Companies Act, 2013. The consolidated financial statement discloses the assets, liabilities, income, expenses and other details of the Company and its subsidiary.

**Joint Venture or Associate Companies:**

The Company does not have any joint venture or associate companies within the meaning of Section 2(6) of the Companies Act, 2013.

CONSOLIDATED ACCOUNTS:

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting standards viz. AS-21 issued by the institute of Chartered Accountants of India and forms a part of this Annual Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a sound Internal Control System which is in tune of its volume and line of operations. The Company has clearly laid down policies, guidelines and procedures that form part of the internal control system which provide for automatic checks and balances. All operating parameters are monitored and controlled. Regular internal audit and checks ensure the effectiveness and efficiency of these systems to ensure that all assets are protected against loss and that the financial and operational information is complete and accurate.

The internal audit is entrusted to M/s. Pankaj K. Shah Associates, Chartered Accountant, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. Audit plays a key role in providing assurance to the Board of Directors. To maintain its objectivity and independence, the internal Audit function reports to the Audit Committee.

GENERAL:

1. The Company has shifted its registered office from State of Maharashtra to the State of Gujarat.
2. During the year under review, there has been no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial

position of the Company, during the period from 31<sup>st</sup> March, 2016 to till the date of this report.

3. During the year under review, there was no significant and/or material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operation.
4. The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under section 67(3)(c) of the Companies Act, 2013 does not require.
5. The Disclosure in terms of Rule 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.
6. There were no complaints received and reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) ACT, 2013.

**ACKNOWLEDGMENTS:**

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Bankers, Material Suppliers, Customers, and Shareholders for their continued support and guidance.

Your Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

ON BEHALF OF THE BOARD OF DIRECTORS

Date : 30.05.2016  
Place : Ahmedabad

sd  
  
DIRECTOR  
(DIN: 00370624)

sd  
  
DIRECTOR  
(DIN: 00370650)

Annexure - A  
FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

I.REGISTRATION & OTHER DETAILS:			
i.	CIN	:	L99999GJ1986PLC083614
ii	Registration Date	:	04.09.1986
iii	Name of the Company	:	MUNOTH CAPITAL MARKET LIMITED
iv	Category/Sub-category of the Company	:	Company Limited by Shares/Indian Non-government Company
v	Address of the Registered office & contact details	:	Shanti Nivas, Opp. Shapath - V, Nr. Karnavati Club, S.G.Road, Ahmedabad - 380058 Tel. No.: 079- 26937954 Email ID: nayan.modi@munoth.com
vi	Whether listed Company	:	Yes (Listed in BSE)
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	PURVA SHAREGISTRY (INDIA) PVT. LTD. (CIN: U67120MH1993PTC074079) Shiv Shakti Industrial Estates, Unit No. 9 7-B, J. R. Boricha Marg, Sitaram Mill Compound, Mumbai - 400 011.

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.

Sr. No.	Name and Description of main products/services	NIC Code of the products/services	% of total turnover of the Company
1	Securities Brokerage Services	99715210	100%

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary / Associate	% of shares Held	Applicable Section
1	Munoth Retail Private Limited Shanti Nivas Office, Opp. Anand Dham Jain Mandir Nr. Karnavati Club, S.G Road, Ahmedabad - 380058	U52100GJ2012PTC070467	Subsidiary Company	100%	Section 2(87)

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 (As on April 1, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% Change during the year	
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares		
A.Promoters										
1) Indian										
a) Individual/HUF	1678572	0	1678572	18.67	1678572	0	1678572	18.67	-	-
b) Central Govt	0	0	0	0.00	0	0	0	0.00	-	-
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	-	-
d) Bodies Corporate	4845600		4845600	53.89	4845600	0	4845600	53.89	-	-
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	-	-

f)Any Other	0	0	0	0.00	0	0	0	0.00	-	-
Subtotal (A)(1):	6524172	0	6524172	75.56	6524172	0	6524172	75.56	-	-
2)Foreign						0	0	0.00	-	-
a)NRI Individuals	0	0	0	0.00	0	0	0	0.00	-	-
b)Other Individuals	0	0	0	0.00	0	0	0	0.00	-	-
c)Bodies Corporate	0	0	0	0.00	0	0	0	0.00	-	-
d)Banks/FI	0	0	0	0.00	0	0	0	0.00	-	-
e)Any Other	0	0	0	0.00	0	0	0	0.00	-	-
Subtotal (A)(2):	0	0	0	0.00	0	0	0	0.00	-	-
Total Sharehold - ing of Promoter (A) =(A)(1)+(A)(2)	6524172	0	6524172	75.56	6524172	0	6524172	75.56	-	-
B.Public Shareholding										
1)Institutions										
a)Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	-	-
b)Bank/FI	0	0	0	0.00	0	0	0	0.00	-	-
c)Central Govt	0	0	0	0.00	0	0	0	0.00	-	-
d)State Govt(s)	0	0	0	0.00	0	0	0	0.00	-	-
e)Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-	-
F)Insurance Companies	0	0	0	0.00	0	0	0	0.00	-	-
g)FIIS	0	0	0	0.00	0	0	0	0.00	-	-
H)Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-	-
i)Others (specify)	0	0	0	0.00	0	0	0	0.00	-	-
Sub-total (B)(1):	0	0	0	0.00	0	0	0	0.00	-	-
2.Non-Institutions										
a)Bodies Corp.	3281	0	3281	0.04	2231	0	2231	0.03	-	-
i)Indian	0	0	0	0.00	0	0	0	0.00	0.01	0.01
ii)Overseas	0	0	0	0.00	0	0	0	0.00		
b)Individuals										
i)Individual shareholders holding nominal share capital upto Rs. 1 Lakh	19257	0	19257	0.21	44737	0	44737	0.50	0.29	0.29
ii)Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1186532	1257758	2444290	27.19	1162102	1257758	2419890	26.91	-	-
c)Others (specify)	0	0	0	0.00	0	0	0	0.00	0.28	0.28
Sub-total (B)(2):	1209070	1257758	2466828	27.44	1209070	1257758	2466828	27.44	--	--
Total Public Shareholding (B) =(B)(1)+(B)(2)	1209070	1257758	2466828	27.44	1209070	1257758	2466828	27.44	--	--
C.Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00		
Grand Total (A+B+C)	7733242	1257758	8991000	100.00	7733242	1257758	8991000	100.00		



## (ii) SHAREHOLDING OF PROMOTERS:

S r. N o.	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 Compa ny	% of shares pledged encumbere d to total shares	No of shares	% of total share s of the Comp any	% of shares pledged encumbere d to total shares	
1	Munoth Investment And Finance Compa	2526750	28.10	0	2526750	28.10	0	0
2	Anima Investments Ltd	1540350	17.13	0	1540350	17.13	0	0
3	Shantilal Misrimal Jain	775422	8.62	0	775422	8.62	0	0
4	Silvercraft Investments Pvt Ltd	634500	7.06	0	634500	7.06	0	0
5	Bhavridevi Shantilal Jain	640350	7.12	0	640350	7.12	0	0
6	Symphony Investment Pvt Ltd	144000	1.60	0	144000	1.60	0	0
7	Siddharth Shantibhai Jain	135000	1.50	0	135000	1.50	0	0
8	Jain Shantilal Misrimal	127800	1.42	0	127800	1.42	0	0
	TOTAL	6524172	72.56	0	6524172	72.56	0	0

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

Sr. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	No changes in promoters shareholding			
2	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No changes in promoters shareholding during the year			
3	At the end of the year	No changes in promoters shareholding			

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	SUSHMA KANKARIA	89100	0.99	89100	0.99

2	SUMERMAL SURAJMAL GULECHA	88650	0.98	88650	0.98
3	HARDIK SHAH	88290	0.98	88290	0.98
4	VARSHA AAKESH GULECHA	88200	0.98	88200	0.98
5	VIDHI VINAY KANKARIA	88200	0.98	88200	0.98
6	KANAKRAJ SURAJMAL GULECHA	88200	0.98	88200	0.98
7	SANJAY SUMERMAL GULECHA	87750	0.97	87750	0.97
8	SHAKUNTALADEVI KANAKRAJ GULECHA	87390	0.97	87390	0.97
9	GYANDEV	85590	0.95	85590	0.95
10	KUSHAL	85590	0.95	85590	0.95

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Director & KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Shantilal Misrimal Jain	7,75,422	8.62	7,75,422	8.62
2	Siddharth Shantilal Jain	1,35,000	1.50	1,35,000	1.50
3	Sumit Khanna	NIL	NIL	NIL	NIL
4	Varsha Aakesh Gulecha	NIL	NIL	NIL	NIL

v. INDEBTEDNESS:

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

(Rs. In Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	111.16	285.49	--	396.65
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not paid	--	--	--	--
Total (i+ii+iii)	111.16	285.49	--	396.65
Change in Indebtedness during the financial year				
• Addition	--	19.42	--	19.42
• Reduction	35.31	304.91	--	340.22
Net Change	35.31	285.49	--	320.80
Indebtedness at the end of the financial year				
i) Principal Amount	75.85	--	--	75.85
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not paid	--	--	--	--
Total (i+ii+iii)	75.85	--	--	75.85

vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission -as % of profit -others, specify	--	--	--	--
5.	others, please specify	--	--	--	--
	Total (A)	--	--	--	--

B) Remuneration to other directors:

				(Rs. In Lakhs)	
Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount	
1.	Independent Directors . Fee for attending board committee meetings · Commission Others, please specify	--	--	--	--
	Total (1)				
2.	Other Non-Executive Directors . Fee for attending board committee meetings · Commission Others, please specify	--	--	--	--
	Total (2)	--	--	--	--
	Total = (1+2)	--	--	--	--

C) Remuneration to Key Managerial Personnel Other Than MD/Manger/WTD:

				(Rs. In Lakhs)	
Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission -as % of profit -others, specify	--	--	--	--
5.	others, please specify	--	--	--	--
	Total	--	--	--	--

vii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. Company					
Penalty Punishment Compounding			None		
B. Directors					
Penalty Punishment Compounding			None		
C. Other Officers In Default					
Penalty Punishment Compounding			None		

FOR MUNOTH CAPITAL MARKET LIMITED

Date : 30.05.2016  
Place : Ahmedabad

sd  
  
Director  
(DIN: 00370624)

Annexure – B  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2016**  
**[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 31.03.2016**

To,  
The Members,  
Munoth Capital Market Limited  
CIN: L99999GJ1986PLC083614  
Shanti Nivas, Opp. Shapath - V,  
Nr. Karnavati Club, S.G.Road,  
Ahmedabad -380058.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Munoth Capital Market Limited (hereinafter called the Company) for the year ended 31<sup>st</sup> March, 2016.

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016, 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 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 – **Provisions of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company;**
  - 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 (upto 14<sup>th</sup> May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15<sup>th</sup> May, 2015);
  - VI. Looking to the nature of business of the company and also as informed to me, I herewith report that there are no laws which have specific applicability to the Company.

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company during the financial year under report, due to the reasons mentioned against each Regulations:
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable, as the Company has not issued any shares during the year under review;
  - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable, as the Company has not issued any shares/ options to directors/ employees under the said guidelines / regulations during the year under review;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable, as the Company has not issued any debt securities which were listed during the year under review;
  - (d) 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 - Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
  - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review; and
  - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.
  
3. I have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards with respect to Meetings of Board of Directors and Committees (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015).
  - (ii) The Listing Agreement entered into by the Company with BSE Limited and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015).
  
4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above alongwith following observations and events carried out:

**OBSERVATIONS :**

- (a) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:
  - (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;]
  - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.
  - (iv) As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
  
- (b) I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.
  
- (c) I further report that the Secretarial Standards on Meetings of the Board of Directors and Committees (SS-1) and General Meetings (SS-2), as approved by the Central Government, have

been issued by the Institute of Company Secretaries of India (ICSI) which come into force w.e.f. 1st July 2015 are being observed by the Company.

- (c) During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, mentioned hereinabove and there is adequate compliance management system for the purpose of other laws.

5. I further report that :

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(ii) 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.

(iii) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

6. I have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.

7. I further report that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, standards etc.

sd

PLACE : AHMEDABAD  
DATE : 30.05.2016

CHOPRA NAYNA PARASMALJI  
PRACTISING COMPANY SECRETARY  
ACS: 32833  
C.P.No.: 12187

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Please note that the Secretarial Audit report is to be read with my letter of even date attached as Annexure A to the report and letter also forms the integral part of report.

## ANNEXURE A

To,  
The Members,  
Munoth Capital Market Limited  
CIN: L99999GJ1986PLC083614  
Shanti Nivas, Opp. Shapath - V,  
Nr. Karnavati Club, S.G.Road,  
Ahmedabad -380058.

Dear Sir,

My Secretarial Audit Report of even date for the Financial Year ended on 31st March, 2016 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company and verification of documents and records procedures on test check basis.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

PLACE : AHMEDABAD  
DATE : 30.05.2016

sd  
CHOPRA NAYNA PARASMALJI  
PRACTISING COMPANY SECRETARY  
ACS: 32833  
C.P.No.: 12187



ANNEXURE - C  
MANAGEMENT DISCUSSION AND ANALYSIS

The operational performance and future outlook of the business has been reviewed by the management based on current resources and future development of the Company.

INDUSTRY STRUCTURE & DEVELOPMENT

The stock market remained low key barring occasional spurs during most part of the last financial year. The market has responded very favorably to this development scaling new heights and this positive momentum is expected to continue.

OPPORTUNITY & THREATS, RISKS & CONCERNS AND BUSINESS OUTLOOK

**Opportunities and Business Outlook:** With the globalization and electronic age, Indian stock market changed over the last decade. Nearly 100% of all transactions are executed through electronic media online trading system. The developments of high-tech and transparent markets with an increasingly wide geographic footprint have increased the number of trading venues offering diverse pools of liquidity.

**Risks & Concern:** The Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The Company is exposed to the market risk (including liquidity risk) and also the factors that are associated with capital market, which inter alia includes economic/business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility and credit risk. The Company is confident of managing these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has a sound Internal Control System which is in tune of its volume and line of operations. The Company has clearly laid down policies, guidelines and procedures that form part of the internal control system which provide for automatic checks and balances. All operating parameters are monitored and controlled. Regular internal audit and checks ensure the effectiveness and efficiency of these systems to ensure that all assets are protected against loss and that the financial and operational information is complete and accurate.

CEO CERTIFICATION

Mr. Siddharth Shantilal Jain (DIN: 00370650), Director of the Company, have given certificate to the board.

CAUTIONARY STATEMENT

Statements in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations, predictions etc. may be "Forward looking Statement" within the meaning of applicable laws and regulations. Actual results, performance or achievements may vary with those expressed or implied, depending upon the economic conditions, Government policies and other incidental/ unforeseeable factors.

**ANNEXURE - D**  
**REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2016 as under:

1. Company's Philosophy

The Company is committed to ethical values and self discipline through standards of good Corporate Governance involving a high level of transparency, integrity, accountability and responsibility in all areas of its operations for ensuring protection of the rights and interest of its stakeholders including employees and financiers and to the society in general. In order to achieve the objective, the company continuously endeavors to improve on these aspects on an ongoing basis.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchange.

2. Board of Directors

(i) Composition and Category of Directors:

The Board of Director of the company comprises of the combination of Executive and Non-Executive Directors.

The Composition of the Board as on 31<sup>st</sup> March, 2016 and as on the date of this report, details of other Directorship and Committee Membership/Chairmanship held by then in other public Companies, their attendance at the Board Meetings held during the F.Y. 2015-16 and also at the last Annual General Meeting (AGM) held are given below:

Name of the Directors and Category	Designation	Attendance Particulars			No. of Directorship and Committee Membership/Chairmanship held in other public Companies		
		Board Meetings Held	Board Meetings Attended	Last Annual General meeting	Other Directorship	Committees membership	Committee Chairman
Promoters and Executive Directors							
Shantilal Misrimal Jain (DIN: 00370624)	Director	6	6	Yes	3	--	--
Siddharth Shantilal Jain (DIN: 00370650)	Director	6	6	Yes	3	--	--
Independent and Non- Executives							
Sumit Khanna (DIN: 01180220)	Director	5	5	No	--	--	--
Varsha Aakesh Gulecha (DIN: 07283903)	Director	3	3	No	--	--	--

The day-to-day management of the company is conducted by the Director subject to the supervision and control of the Board of the Directors.

The Board of Directors appointed Mrs. Varsha Aakesh Gulecha as an Independent Woman Director on 16<sup>th</sup> September, 2015 to hold office upto the ensuing Annual General meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member,

signifying his intention to propose Mrs. Varsha Aakesh Gulecha as a candidature for the office of Director of the Company. The Company has received a declaration of independence from Mrs. Varsha Aakesh Gulecha (DIN: 07283903).

(ii) Relationship between the Directors

Mr. Siddharth Shantilal Jain is a son of Mr. Shantilal Misrimal Jain.

None of the other Directors are related to any other Director on the Board.

(iii) Shares held by Non-Executive Directors

None of the Non-Executive Directors held the shares of the Company.

(iv) Number of Board Meetings held and the date on which held

During the financial year under review, Six (6) Board meetings were held on following dates:

30/05/2015, 19/06/2015, 14/08/2015, 16/09/2015, 10/11/2015 and 13/02/2016.

The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Agreement.

(v) Performance Evaluation of the Board as a whole and its Committees

The Board has carried out an evaluation of its own performance and that of its Committees and Directors in terms of Section 134(3)(p) of the Companies Act, 2013 and Rules made thereunder and Listing Regulations. The Board has approved a policy for criteria of determining qualifications, selection, appointment and remuneration of Directors.

(vi) Minimum Information

Board members are informed well in advance about the schedule of the Meetings. Appropriate information/details and documents are sent in advance to each Director and normally submitted as a part of Agenda papers, except in case of matters/documents which are Unpublished Price Sensitive Information (UPSI), in order to enable the Board to discharge its responsibilities effectively. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted and place before the Board under other business with the permission of the Chairman and with the consent of the majority Directors including Independent Directors. The Company observed the Secretarial Standards – 1 related to Board & Committee meetings which are effective from 1st July, 2015.

(vii) Independent Directors & Separate Meeting

All Independent Directors so far have been appointed for a term of 5 years.

None of the Independent Directors hold Directorship in more than 7 Listed Companies.

Every Independent Director, at the first meeting of the Board in which he/She participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/She meets the criteria of independence as provided under law. The Company has obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013. Every Independent Director is abide by the provisions specified in Schedule – IV to the Companies Act, 2013 related to Code of Conduct for Independent Directors.

The policy decisions are considered by the Nomination and Remuneration Committee for appointment of Independent Director on the Board. The Board considers the committee's recommendation and takes appropriate decision/action.

As per Regulation 25(3) of Listing Regulations and under the Companies Act, 2013 and Rules made thereunder read with Schedule IV (VII), the Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors, Non-

Independent Directors or management personnel. Such meeting was held on 13.02.2016 and all Independent Directors were present at the meeting. The following issues were discussed in detail:

- Reviewed the performance of non-independent directors and the Board as a whole.
- Reviewed the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.

- Assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(viii) Familiarization programme for Independent/Non-Executive Directors

As per Regulation 25(7) of Listing Regulations, whenever new Non-executive and Independent Directors are inducted in the Board, they are introduced to the Company's organization structure, business and nature of industry, constitution, board procedures and roles, rights and responsibilities of Independent Directors, etc.

(xi) Remuneration/Sitting Fees to the Directors:

The Company has not paid any remuneration to any Directors during the F.Y. 2015-16. Further the Company has not paid sitting fees to any Non Executive and Independent Directors. There were no pecuniary relationship or transactions by Independent Directors with the Company, its promoters or its management.

### 3. COMMITTEES OF THE BOARD

#### A) Audit Committee:

##### 1) Composition of Committee and Meetings and Attendance:

The Audit Committee is constituted on 10.11.2015. As on 31st March, 2016 and as on the date of this report, the Audit Committee consists of 3 members, out of which, 2 are Independent Directors and 1 is Executive Director as under. Independent Director is the Chairman of the Audit Committee and all members are financially literate and ability to read and understand the financial statements. The constitution of the Audit Committee fulfills the requirements of Section 177 of the Companies Act, 2013, Rules made thereunder and Regulation 18 of Listing Regulations.

During the period under review, Audit Committee met 2 times on 10.11.2015, & 13/02/2016. The maximum gap between any two meetings was not more than 120 days.

The presence of the Members at the meeting are as under :

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Siddharth Shantilal Jain	Member	Executive Director	2	2
Sumit Khanna	Chairman	Independent Director	2	2
Varsha Aakesh Gulecha	Member	Independent Director	2	2

The Minutes of the Audit Committee Meetings are placed before the Board in the Next Meeting and noted the same.

##### ii) Terms of reference:

The terms of reference of Audit Committee are to cover the matters specified under Listing Regulations and the Companies Act, 2013 and Rules made thereunder and the functions of the Committee inter alia include the overview of the Company's financial reporting processes, review of the quarterly, half yearly and yearly financial statements, review of adequacy of internal control system, review of the financial and risk management policies and review of significant findings and adequacy of internal audit function, approval of related party transactions.

B) Nomination and Remuneration Committee

The Company has not set up any Remuneration committee as the company does not pay any remuneration and seating fees to Directors.

C) Shareholders Relationship Committee (SRC)

i) Composition of Committee and Meeting and Attendance:

1. The erstwhile Shareholders / Investor's Grievance Committee of the Directors of the Company was re-nomenclature as a Stakeholders' Relationship Committee.

The Committee consists of 2 Independent Directors and 1 Executive Director as under. The constitution of Stakeholders' Relationship Committee fulfills the requirements of Regulation 20 of Listing Regulations and Section 178 of the Companies Act, 2013 and Rules made there under.

During the year under review, the Stakeholders Relationship Committee met 4 times on 30/05/2015, 14/08/2015, 10/11/2015, and 13/02/2016.

The presence of the Members at the meeting are as under :

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Shantilal Misrimal Jain	Member	Executive Director	4	4
Siddharth Shantilal Jain*	Member	Executive Director	2	2
Mukesh Hakralal Patel*	Member	Independent Director	1	1
Sumit Khanna	Chairman	Independent Director	3	2
Varsha Aakesh Gulecha	Member	Independent Director	2	2

\*Ceased to be member of the Audit Committee.

ii) Terms of Reference:

Pursuant to Section 178 of the Companies Act, 2013, Rules made thereunder and Listing Regulations, the Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also functions in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly. The Committee, inter alia, approves the transfer of Shares, issue of duplicate Share Certificates, splitting and consolidation of Shares etc.

The Committee also looks after redressal of Shareholder's complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends, etc

iii) No. of Shareholders complaints received and not resolved to the satisfaction of the Shareholders:

The total number of complaints received and resolved to the satisfaction of Shareholders during the year under review were as under :

No. of Complaints outstanding as on 31-03-2015	- Nil
No. of complaints received during the year under review	- Nil
No. of complaints disposed off during the year under review	- Nil
No. of complaints outstanding as on 31-03-2016	- Nil

iv) Number of pending transfers :

No requests for transfer and dematerialisation of shares were pending for approval as on 31st March, 2016.

D) Corporate Social Responsibility Committee (CSR)

The Company has not constituted Corporate Social Responsibility Committee as Section 135 of the Companies Act, 2013 is not Applicable to the Company.

4) General Body Meeting

The location and time of the last three Annual General Meeting are as under:

Financial Year	AGM Date	Time	Venue	No. of special resolution
2012-13	26.09.2013	11:00 a.m.	Registered Office	Nil
2013-14	30.09.2014	11:00 a.m.	Registered Office	Nil
2014-15	30.09.2015	11:00 a.m.	Registered Office	Nil

Extra Ordinary General Meeting:

The Company held following EGM in last three years.

For the year 2012-13, on 20<sup>th</sup> October, 2012, for the purpose of passing of Special resolution for Alteration of Object Clause in Memorandum of Association through postal ballot.

No other EGM was held during last three years.

As required, a poll (electronically and by physical ballot) was conducted and the Special resolution was passed with requisite majority

Postal Ballot:

During the year, pursuant to the provisions of the Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company as per the Postal Ballot notice dated 15.11.2014, passed a Special Resolution for shifting of registered office of the Company from the state of Maharashtra to the state of Gujarat.

The Company had appointed Mr. Pankaj K. Shah, Chartered Accountant, as a Scrutinizer to conduct the Postal Ballot Process in a fair and transparent manner. Postal Ballot Forms received upto the close of working hours on December 23, 2014 had been considered and the result of Postal Ballot was announced on December 26, 2014 at the Registered Office of the Company. The details of results of Postal Ballot are as under:

Particulars	No. of postal ballot forms	No. of equity shares	% of total paid up capital
(a) Total postal ballot forms received	0	0	0
(b) Less: Invalid Postal ballot Forms (as per register)	0	0	0
(c) Net valid Postal ballot forms (as per register)	0	0	0
(d) Postal ballot forms with assent for the Resolution	0	0	0
(e) Postal ballot forms with dissent for the Resolution.	0	0	0

5) Disclosures :

- i. There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes on Accounts.

- ii. There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
- iii. The Company has laid down procedures to inform the board members about the risk assessment and its mitigation, which is periodically reviewed to ensure that risk control, is exercised by the Management effectively.
- iv. In terms of SEBI (Listing Obligations & Disclosure Requirements), CEO Certification by Mr. Siddharth Shantilal Jain (DIN: 00370650), Director was placed before the Board at its meeting held on 30th May, 2016.
- v. A Management Discussion and Analysis Report has been presented as part of the Directors' Report.
- vi. Pursuant to Listing Regulations, the Senior Management has made disclosures to the Board that during the year ended on 31st March, 2016, they have not entered into any material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company.

vii. Code of Conduct:

In compliance with Regulation 26(3) of SEBI LODR Regulations, 2015, the Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel. The said Code has been communicated to all the Directors and Senior Management Personnel as above. They have also affirmed to the Company about the compliance of the said Code during the Financial Year ended on 31st March, 2016. The declaration from Chairman & Whole-time Director & Managing Director of the Company, affirming compliance of the said Code of Conduct by all the Board Members and the above Senior Management Personnel is annexed separately to this Report.

viii. Whistle Blower policy / Vigil Mechanism:

The Company has a Vigil Mechanism and Whistle Blower policy under which the employees are free to report any act of serious misconduct or wrongful activity being occurred or suspected to occur within the organization. No employee of the Company is denied access to the Audit Committee.

ix. Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 1992/2015:

The Company has Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders including therein Code of Conduct for fair disclosures of price sensitive information of the Company, in terms of provisions of SEBI (Prohibition of Insider Trading) Regulation, 1992/2015. The policy lays down guidelines and procedure to be followed and disclosures to be made while dealing with the Shares of the Company.

6) Means of Communication

(i) Financial Results:

The Company's quarterly, half yearly and yearly financial results were taken on record and approved by the Board of Directors after reviewed by Audit Committee and submitted to the Stock Exchange in terms of the requirements of Clause 41 of erstwhile Listing Agreement and as per Listing Regulations. These were published uploaded on the web-site of the Company. The company is maintaining its website [www.munoth.com](http://www.munoth.com) containing basic information about the company. The Annual Report is also posted on the web-site of the Company viz. [www.munoth.com](http://www.munoth.com).

(ii) BSE Corporate Compliance & Listing Centre (Listing Centre)

BSE's Listing Centre viz. [www.listing.bseindia.com](http://www.listing.bseindia.com) is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, financial results, corporate governance report, investors & shares related matters, among others are also filed electronically on the Listing Centre.

(iii) Green Initiative in Corporate Governance: Go Paperless

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling annual general meeting, Corporate Governance Report, Directors Report, audited Financial statements, auditors report, dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Purva Sharegistry (India) Pvt. Ltd Registrar and transfer agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

7) General Share Holder Information:

Financial Calendar for the Financial Year 2015-16

a.	Annual General Meeting	
	- Day	Wednesday
	- Date	14/09/2016
	- Time	11 A.M.
	- Venue	At Registered office of the Company situated at Shanti Nivas, Opp. Shapath -V, Nr. Karnavati Club, S G Road, Ahmedabad – 380058, Gujarat, India.
b.	Book Closure Dates	01 <sup>st</sup> September, 2016 to 14 <sup>th</sup> September, 2016 (both days inclusive)
c.	Financial Calendar-2016-17	Tentative Schedule
	a) Unaudited results for quarter ending 30-06-2016	on or before 14th August, 2016
	b). Unaudited results for half year/ quarter ending 30-09-2016	On or before 14th November, 2016
	c). Unaudited financial results for quarter ending 31-12-16	On or before 14th February, 2017
	d). Audited resulted for the year quarter ending 31-03-2017	On or before 30th May, 2017
d.	No of Share Holder	171 Share holders as on 31-03-2016
e.	Listing of Equity Shares	Bombay Stock Exchange Ltd.
f.	Stock Code	511200
g.	ISIN Number	INE910G01027

Listing on Stock Exchange :

The equity shares of the company are listed on BSE Ltd. (BSE).

Listing fees upto the Financial Year 2016-2017 has already been paid to the Stock Exchange.

Corporate Identity Number (CIN):

Our Corporate Identity Number (CIN) of the Company as allotted by the Ministry of Corporate Affairs, Government of India is L99999GJ1986PLC083614.

Market Price Data:

Month wise Stock Market Price Data (BSE) relating to Equity Shares of the Company for the F.Y. ended March 31, 2016.

Month of the F.Y. 2015-16.	Market Price Data			
	Open	High	Low	Close
April – 2015	88.80	88.80	88.80	88.80
May – 2015	-	-	-	-
June – 2015	88.80	88.80	88.80	88.80
July – 2015	88.75	88.75	88.75	88.75
August – 2015	-	-	-	-
Sep-2015	-	-	-	-



Oct-2015	84.35	84.35	84.35	84.35
November – 2015	-	-	-	-
December – 2015	-	-	-	-
January – 2016	-	-	-	-
February – 2016	-	-	-	-
Mar-2016	-	-	-	-

Distribution of share holding as on March 31, 2016:

No. of Equity Shares held From To	No. of share- holders	% age of share- holders	No. of Shares held	% age of shareholding
Up - 5000	132	77.19	23833	0.27
5001 - 10000	0	0.00	0	0.00
10001 - 20000	0	0.00	0	0.00
20001 - 30000	1	0.58	23135	0.26
30001 - 50000	0	0.00	0	0.00
50001 - 100000	30	17.54	2419860	26.91
100001 - 1000000	6	3.51	2457072	27.33
10000001 above	2	1.17	4067100	45.24
Total	171	100.00	8991000	100.00

Category of shareholders as on March 31, 2016:

Category	No of Shares held	% age of shareholding
Promoter's	6524172	72.56
OCB	--	--
Companies	2231	0.03
Individuals/Others	2464597	27.41
NRI	--	--
Total	8991000	100

Registrar and Share Transfer Agents:

PURVA SHAREGISTRY (INDIA) PVT. LTD. (CIN: U67120MH1993PTC074079)

Shiv Shakti Industrial Estates, Unit No. 9

7-B, J. R. Boricha Marg,

Sitaram Mill Compound, Mumbai – 400 011.

The Company has submitted to BSE Ltd. Compliance Certificate for half-yearly ended on 31st March, 2016 issued by RTA and Compliance Officer that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar as per Regulation 7(3) of Listing Regulations.

Share Transfer System:

The Company had appointed M/s. Purva Sharegistry (India) Pvt. Ltd. as the Registrar and Transfer Agent. Valid Share Transfers in physical form and complete in all respect were approved and registered within the stipulated period.

Pursuant to Clause 47(c) of erstwhile Listing Agreement and Regulation 40(9) of Listing Regulations, certificates, on half-yearly basis, have been issued by the Company for due compliance of share transfer formalities by the Company.

Dematerialization of Shares & liquidity:

The shares of the Company are permitted for demat on NSDL and CDSL.

Issued, Subscribed, and Paid up Capital	:	89, 91,000
A. Electronic holding in NSDL	:	70,75,628
B. Electronic holding in CDSL	:	6,57,614
C. Physical holding	:	12,57,758

Outstanding GDRs, ADRs, Warrants or any Convertible instruments, conversion date and likely impact on equity: Not Applicable.

Reconciliation of Share Capital Audit:

As Stipulated by SEBI, a qualified Practicing Chartered Accountant carries out the Reconciliation of Share Capital Audit. This Audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is placed before the board of Directors of the Company. The Audit, inter alia, confirms that the listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and the total number of shares in physical form.

Plant Location:

The Company is a Financial Services Company and it is not engaged in manufacturing operations. Its Registered Office is situated at Shanti Nivas, Opp. Shapath -V, Nr. Karnavati Club, S G Road, Ahmedabad – 380058, Gujarat, India.

Address for Correspondence:

*For Shares held in Physical & Demat form*  
PURVA SHAREGISTRY (INDIA) PVT. LTD.  
(Unit : Munoth Capital Market Limited)  
Shiv Shakti Industrial Estates, Unit No. 9  
7-B, J. R. Boricha Marg,  
Sitaram Mill Compound, Mumbai – 400 011.

Any Query on Annual Report

Munoth Capital Market Limited.  
Shanti Nivas, Opp. Shapath -V,  
Nr. Karnavati Club, S G Road,  
Ahmedabad – 380058, Gujarat, India.

For any other queries : e-mail : [munoth@gmail.com](mailto:munoth@gmail.com).

Corporate Governance Certificate :

The Certificate from the M/s. Pankaj K. Shah Associates, Chartered Accountants, Ahmedabad, confirming compliance with conditions of Corporate Governance as stipulated under old Listing Agreement and Listing Regulations, is attached to this Report.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 regarding Corporate Governance, we hereby confirm that all Board Members and Senior Management Personnel of Munoth Capital Market Limited have affirmed the compliance of Code of Business Conduct and Ethics during the year ended on 31st March, 2016.

Date : 30.05.2016

Place : Ahmedabad

sd  
DIRECTOR  
(DIN: 00370624)

sd  
DIRECTOR  
(DIN: 00370650)

**PANKAJ SHAH**

B.Com, F.C.A., A.C.S.

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**AUDITORS REPORT ON COMPLIANCE OF CONDITION OF CORPORATE GOVERNANCE**

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To

The Share Holders of Munoth Capital Market Limited.

We have examined the compliance of conditions of corporate governance by M/s. Munoth Capital Market Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with Stock Exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016, with the relevant record and documents maintained by the Company as furnished to us.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance except composition of Nomination and Remuneration Committee as stipulated in the abovementioned Listing Agreement and Listing Regulations, as applicable.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March 2016, no investor grievances are pending against the Company for a period exceeding one month as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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

FOR PANKAJ K. SHAH ASSOCIATES  
Firm Registration No. 107352W  
CHARTERED ACCOUNTANTS

Place : Ahmedabad

Date : 30.05.2016

sd

(PANKAJ. K. SHAH)

PROPRIETOR  
M. No.034603

## CEO CERTIFICATE

To,  
The Board of Directors,  
Munoth Capital Market Limited  
Ahmedabad

I hereby certify that:

- a. I have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2016 and to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. 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 violent of the Company's Code of Conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors that there have been no deficiencies in the design or operation of internal controls, prevailing in the Company.
- d. I hereby certify that:
  - i. There have been no significant changes in internal control during the year.
  - ii. There have been no significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements and
  - iii. No instances of fraud were observed in the Company by the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Place : Ahmedabad  
Date : 30-05-2016

FOR MUNOTH CAPITAL MARKET LIMITED  
sd

DIRECTOR  
(DIN: 00370650)

## INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF  
MUNOTH CAPITAL MARKET LIMITED

### *Report on the Financial Statements*

We have audited the accompanying financial statements of MUNOTH CAPITAL MARKET LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the 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 Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the 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 the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

(cont...2)

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 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 on the financial statements.

### *Opinion*

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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the LOSS for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### *Report on Other Legal and Regulatory Requirements*

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we 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 purposes of our audit;

(cont...3)

\* 3 \*

- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion the aforesaid financial statement comply with the 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-B.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the 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, we report that:
  - a) The Company does not have any pending litigations which would impact its financial position other than those mentioned in notes to accounts.
  - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

For **VIJAY R. TATER & CO.**  
Chartered Accountants  
Firm Registration No. 111426W

**sd**

(Suresh G. Kothari)  
**Partner**  
**M.No.47625**

Place: Mumbai  
Date: 30.05.2016

MUNOTH CAPITAL MARKET LIMITED  
ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' our report to the members of MUNOTH CAPITAL MARKET LIMITED, ('the Company') for the year ended on March 31, 2016. We report that: -

- i.
  - a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
  - b) As explained to us, during the year fixed assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification.
  - c) Since the Company does not have any immovable property hence the provisions of clause 3 (i) (c) of the said order is not applicable to the Company
- ii.
  - a) As explained to us, the inventories of shares & securities have been kept in dematerialized form and the same has been physically verified by the management at reasonable intervals during the year.
  - b) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us, the Company has given interest free unsecured loan to companies. In the opinion of the management, Subsidiary Companies are not covered in the register maintained under section 189 of the Companies Act, 2013.
  - a) In our opinion, the other terms and conditions of the above referred interest free loan given by the company, is not prima facie prejudicial to the interest of the Company.
  - b) According to information and explanations given to us, in respect to such interest free loans given by the company, the same are at repayable on demand and no stipulations have been made regarding repayment of principal amount.
  - c) As per the information and explanation given to us and on the basis of our verification in our opinion no amount is overdue.
- iv. In our opinion and according to information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments , guarantee and security.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve bank of India and provisions of Sections 73 to 76 and any other relevant provisions of the Act and the Rules framed there under apply hence provisions of Clause 3(v) of the aforesaid Order are not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us maintenance of cost records under sub-section (1) of the Section 148 of the Companies Act, 2013 has not been prescribed by the government.
- vii.
  - (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with appropriate authorities. There are no arrears



of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the records of the Company examined by us and information and explanations given to us, there were no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess to the extent applicable, which have not been deposited on account of any disputes.
- viii. The Company has not borrowed from any financial institution, bank, Government or debenture holders and hence, Provisions of clause 3 (viii) of the aforesaid Order are not applicable to the Company.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans and hence provisions of Clause 3(ix) of the aforesaid Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. The Company has not paid/provided any managerial remuneration in the current year and hence provisions of Clause 3(xi) of the aforesaid Order are not applicable to the Company.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
- xiii. Based on our audit procedures and according to the information and explanations given to us by the management, the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and details 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 and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the aforesaid 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.

For **VIJAY R. TATER & CO.**  
Chartered Accountants  
Firm Registration No. 111426W

**sd**

(Suresh G. Kothari)  
**Partner**  
**M.No.47625**

Place : Mumbai  
Date : 30.05.2016

The Annexure referred to in paragraph 2(f) under the 'Report on Other Legal and Regulatory Requirements' our report to the members of MUNOTH CAPITAL MARKET LIMITED, ('the Company') for the year ended on March 31, 2016.

*Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act*

We have audited internal financial controls over financial reporting of MUNOTH CAPITAL MARKET LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended on that date.

*Management's Responsibility for the 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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of the 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 Act.

*Auditor's Responsibility*

Our responsibility is to express an opinion on 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') and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and Guidance note require that we comply with ethical requirements and plan and perform 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 procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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.

(Cont...2)

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 a reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose 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 the transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

*Inherent Limitations of Internal Financial Controls over Financial Reporting*

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

*Opinion*

In our opinion, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **VIJAY R. TATER & CO.**  
Chartered Accountants  
Firm Registration No. 111426W

**sd**  
(Suresh G. Kothari)  
**Partner**  
**M.No.47625**

Place: Mumbai  
Date: 30.05.2016

# MUNOTH CAPITAL MARKET LIMITED

CIN:- L99999MH1986PLC040833

## BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	2	44,955,000	44,955,000
(b) Reserves and Surplus	3	35,237,711	35,892,411
<b><u>(2) Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	4	7,585,093	11,115,712
(b) Deferred Tax Liabilities (Net)	5	88,189	58,020
<b><u>(3) Current Liabilities</u></b>			
(a) Short Term Borrowings	6	-	28,549,000
(b) Trade Payables	7	490,811	158,918
(c) Other current liabilities	8	857,657	3,818,737
(d) Short Term Provisions	9	-	485,824
<b>Total Equity &amp; Liabilities</b>		<b>89,214,461</b>	<b>125,033,623</b>
<b>II. ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
<b><u>(a) Fixed Assets</u></b>			
(i) Tangible assets	10	283,511	413,666
(b) Non-current investments	11	899,990	7,450,220
(c) Long term loans and advances	12	51,883,211	53,837,433
<b><u>(2) Current Assets</u></b>			
(a) Trade receivables	13	58,184	58,184
(b) Cash and cash equivalents	14	29,907,639	57,302,772
(c) Short-term loans and advances	15	6,181,928	5,971,349
<b>Total Assets</b>		<b>89,214,461</b>	<b>125,033,623</b>
Significant Accounting Policies 1			
Other Notes on accounts from Nos 21 to 30 are an integral part of the Financial Statements			
This is the Balance Sheet referred to in our Report of even date.			
For <b>Vijay R. Tater &amp; Co.</b>		For and on behalf of the Board	
Chartered Accountants			
Firm Reg. No.: 111426W			
sd		sd	sd
CA Suresh G. Kothari		Siddharth S Jain	Shantilal M Jain
Partner		DIN: 00370650	DIN:00370624
(M.No.47625)			
Place :Mumbai			
Date: 30.05.2016			

# MUNOTH CAPITAL MARKET LIMITED

CIN:- L99999MH1986PLC040833

## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Sr. No	Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
			RUPEES	RUPEES
I	Revenue from operations	16	4,054,581	4,598,103
II	Other Income	17	2,624,681	4,059,850
III	<i>III. Total Revenue (I +II)</i>		<b>6,679,262</b>	<b>8,657,953</b>
IV	<u>Expenses:</u>			
	Employee Benefit Expense	18	2,127,705	804,667
	Financial Costs	19	495,992	1,490,763
	Depreciation & Amortization	9	244,624	305,479
	Other Administrative Expenses	20	4,424,599	3,720,969
	<i>Total Expenses (IV)</i>		<b>7,292,920</b>	<b>6,321,878</b>
V	Profit before tax (III-IV)		<b>(613,658)</b>	<b>2,336,075</b>
VI	<u>Tax expense:</u>			
	(1) Current Tax		-	485,824
	(2) Tax Adjustments of earlier years		10,872	176,143
	(3) Deferred tax for the year		30,169	13,632
	Profit/(Loss) for the period		<b>(654,699)</b>	<b>1,660,476</b>
	Earning per equity share:			
	(1) Basic	28	(0.07)	0.18
	(2) Diluted	28	(0.07)	0.18

Significant Accounting Policies

1

Other Notes on accounts from Nos 21 to 30

are an integral part of the Financial Statements

This is the Statement of Profit & Loss referred to in our Report of even date.

For **Vijay R. Tater & Co.**

Chartered Accountants

For and on behalf of the Board

Firm Reg. No.: 111426W

sd

sd

sd

CA Suresh G. Kothari

Siddharth S Jain

Shantilal M Jain

Partner

DIN: 00370650

DIN:00370624

(M.No.47625)

Place :Mumbai

Date: 30.05.2016

**MUNOTH CAPITAL MARKET LIMITED**  
**CIN:- L99999MH1986PLC040833**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

	YEAR ENDED ON 31.03.2016		YEAR ENDED ON 31.03.2015	
	RUPEES	RUPEES	RUPEES	RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax		(613,658)		2,336,075
Adjustments for :				
Depreciation	244,624		305,479	
Interest received	(1,966,837)		(1,957,217)	
		(1,722,212)		(1,651,738)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		(2,335,871)		684,337
Increase/(Decrease) in Short-term Borrowings	(28,549,000)		28,549,000	
Increase/(Decrease) in Trade Payables	331,893		108,356	
Increase/(Decrease) in Other Current Liabilities	(2,961,081)		(12,227,963)	
(Increase)/Decrease in trade receivables	-		-	
(Increase)/Decrease in short-term Loans and Advances	(169,967)		28,749,348	
		(31,348,154)		45,178,741
<b>CASH GENERATED FROM OPERATIONS</b>		(33,684,025)		45,863,078
Direct Taxes Paid	(537,309)		(277,589)	
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>		(34,221,334)		45,585,489
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(114,469)		(180,562)	
Sale of Non Current Investment	6,550,230		3,360,617	
Purchase of non-current investments	-		(6,550,230)	
Interest received	1,966,837		1,957,217	
Movement in Long term Loans & advances	1,954,222		1,057,653	
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>		10,356,820		(355,305)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long Term Borrowings Taken	(3,530,620)		(10,742,484)	
<b>NET CASH (USED IN)/ FROM FINANCING ACTIVITIES</b>		(3,530,620)		(10,742,484)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(27,395,132)		34,487,701
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>		57,302,772		22,815,070
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>		29,907,639		57,302,772

**Notes:**

- 1) The above Cash Flow statement has been prepared under Indirect Method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- 2) The balance with the bank for unpaid dividend is not available for use by the company and the money remaining unpaid will be deposited in Investors Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- 3) Figures in brackets indicates out go.
- 4) Previous year figures have been regrouped and recast wherever neccessary.

As per our report of even date attached

For Vijay R. Tater & Co.

Chartered Accountants

Firm Registration No.111426W

For and on behalf of the Board

sd

sd

sd

CA Suresh G. Kothari

Siddharth S Jain

Shantilal M Jain

Partner

DIN: 00370650

DIN:00370624

(M.No.47625)

Mumbai

Date: 30.05.2016

# MUNOTH CAPITAL MARKET LIMITED

CIN:- L99999MH1986PLC040833

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016

Sr. No	Particulars	RUPEES	
		Current Year	Previous Year
<b>Note : 2 Share Capital</b>			
1	<b>AUTHORIZED CAPITAL</b> 18000000 (1,80,00,000) Equity Shares of Rs. 5/- each.	90,000,000	90,000,000
		90,000,000	90,000,000
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> <i>To the Subscribers of the Memorandum</i> 8991000(89,91,000) Equity Shares of Rs. 5/- each fully paid up.	44,955,000	44,955,000
	<b>Total in `</b>	<b>44,955,000</b>	<b>44,955,000</b>

2.1 a.) Reconciliation of number of the Equity Shares

Particulars	31.03.2016		31.03.2015	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	8,991,000	44,955,000	8,991,000	44,955,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	8,991,000	44,955,000	8,991,000	44,955,000

**(b) Rights, preferences and restrictions attached to shares**

Equity Shares: The company has one class of equity shares having a par value of Rs.5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2.2 Details of shareholders holding more than 5% share in the company

Name of Share Holders	31.03.2016		31.03.2015	
	Number	% of holding	Number	% of holding
<u>Equity Shares of Rs.5 each fully paid</u>				
Munoth Investment and Finance Company Private Limited	2,526,750	28.10	2,526,750	28.10
Anima Investments Limited	1,540,350	17.13	1,540,350	17.13
Shantilal Misrimal Jain	775,422	8.62	775,422	8.62
Bhavridevi Shantilal Jain	640,350	7.12	640,350	7.12
Silver Croft Investment Pvt Ltd	634,500	7.06	634,500	7.06

**Note : 3 Reserve & Surplus**

1	<b>General Reserve</b>		
	Opening Balance	33,035,000	33,035,000
	Add: Transferred from Profit & Loss Account	-	-
	Closing Balance	33,035,000	33,035,000
2	<b>Surplus (Profit &amp; Loss Account)</b>		
	Balance brought forward from previous year	2,857,411	1,196,935
	Add: Profit / (Loss ) for the period	(654,699)	1,660,476
	Balance carried forward to next year	2,202,711	2,857,411
	<b>Total in `</b>	<b>35,237,711</b>	<b>35,892,411</b>

**Note : 4 Long Term Borrowings**

1	<u>Secured</u> Term Loans <u>Syndicate Bank Ltd</u> (Secured against Fixed Deposit of NIL (PYRs 5.00 Lacs)	-	319
	<u>Hdfc Bank Ltd</u> (Secured against Fixed Deposite of Rs 1.20 Cr( PY 1.20 Cr)	7,585,093	11,115,394
	Total in `	7,585,093	11,115,712

**Note : 5 Deferred Tax Liability (net)**

<b>Break up of Deferred Tax Asset and Deferred Tax Liability arising out of timing differences</b>	<b>Current Year</b>	<b>Previous Year</b>
Deferred Tax Liability:- Opening	58,020	44,388
Add: (Deferred Tax Assets) / Deferred Tax Liability for timing difference on Depreciation [refer note (a) below]	30169	13,632
Net (deferred Tax Assets) / Deferred Tax Liability	88,189	58,020

(a) Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is a virtual certainty with respect to the reversal of the same in future.

**Note : 6 Short Term Borrowings**

	<u>Unsecured</u> Loan from Director (Repayable on demand)	-	28,549,000
	In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to above borrowings		
	Period of default	NIL	NIL
	Amount	NIL	NIL
		-	28,549,000

**Note : 7 Trades Payable**

1	Sundry Creditors for Expenses [Refer note (a) below]	490,811	158,918
	Total in `	490,811	158,918

(a) The disclosure under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is not applicable to the company as it is neither a trading nor a manufacturing company and accordingly do not have any such suppliers

**Note : 8 Other Current Liabilities**

1	Advance from Customer - Margin Account	-	3,449,357
2	Statutory Dues	238,528	238,079
3	Others	619,128	131,301
	Total in `	<b>857,657</b>	3,818,737

**Note : 9 Short Term Provision**

1	Provision for Tax	-	485,824
		-	485,824



# MUNOTH CAPITAL MARKET LIMITED

CIN:- L99999MH1986PLC040833

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016

Sr. No	Particulars	RUPEES	
		Current Year	Previous Year
<b>Note : 12 Long Term Loans and Advances</b>			
1)	<u>Loans &amp; Advances</u>		
	a) <u>Unsecured, Considered Good -</u> To Related Parties (refer note no 25)	34,338,445	36,292,667
2)	<u>Deposit</u>		
	a) <u>Secured, Considered Good :</u> Trade deposit	17,544,766	17,544,766
	Total in `	51,883,211	53,837,433
<b>Note : 13 Trade Recievables</b>			
1	Sundry Debtors Unsecured - Considered good - Outstanding for period exceeding six months from due date - Others	58,184 -	58,184 -
	Total in `	58,184	58,184
<b>Note : 14 Cash &amp; Bank Balances</b>			
A	<u>Cash &amp; Cash equivalents</u>		
1	Cash-on-Hand	88,562	83,163
2	<u>Balances with Banks</u> In current account	6,417,065	34,238,073
B	<u>Other Bank Balances</u> <u>Longterm deposit :</u>		
	Accrued interest on FD's	2,605,365	3,023,961
	maturity more than 3 months but less 12 months	6,500,000	7,037,161
	maturity more than 12 months	14,296,647	12,920,413
	Total	29,907,639	57,302,772
<b>Note :15 Short Terms Loans and Advances</b>			
1	Others <i>Advance Recoverable in cash or in kind or for value to be considered good</i> Tax Payment -Advance Tax, Self Asst. Tax , TDS & MAT Other Advances	2,888,972 3,292,956	2,848,360 3,122,989
	Total in `	6,181,928	5,971,349

**MUNOTH CAPITAL MARKET LIMITED**

**CIN:- L99999MH1986PLC040833**

**Notes forming part of the financial statements**

**10 Fixed assets**

Particulars	(a) Furniture and Fixtures	(b) NSE Software	(c) Computer	(d) Air Conditioner	(e) Motor Cycle	Total
<b>Cost or Valuation</b>						
At 1 April 2014	58,800	992,762	274,501	-	-	1,326,063
Additions	170,962	-	9,600	-	-	180,562
Disposals	-	-	-	-	-	-
At 31 March, 2015	229,762	992,762	284,101	-	-	1,506,625
Additions	-	-	15,750	56,719	42,000	114,469
Adjustments	-	-	-	-	-	-
At 31 March, 2016	229,762	992,762	299,851	56,719	42,000	1,621,094
<b>Depreciation</b>						
At 1 April 2014	25,734	706,846	54,900	-	-	787,480
Charge for the year	13,353	126,415	165,711	-	-	305,479
Disposals	-	-	-	-	-	-
At 31 March, 2015	39,087	833,261	220,611	-	-	1,092,959
Charge for the year	53,921	109,863	65,035	8,557	7,248	244,624
Adjustments	-	-	-	-	-	-
At 31 March, 2016	93,008	943,124	285,646	8,557	7,248	1,337,583
At 31 March, 2015	190,675	159,501	63,490	-	-	413,666
At 31 March, 2016	136,754	49,638	14,205	48,162	34,752	283,511

Notes :

1. Effect of Depreciation on Fixed Assets and on WDV of Assets has been taken based on Revised Schedule II of the Companies Act, 2013

2. Carrying life of Assets whose useful life has expired based on Revised Schedule II of the Companies Act, 2013 has been recognised in the opening balance of Profit & Loss A/c.

# MUNOTH CAPITAL MARKET LIMITED

CIN:- L99999MH1986PLC040833

*Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016*

Sr. No	Particulars	Face Value	RUPEES		RUPEES	
			Current Year	Previous Year	Quantity	Rupees
<i>Note : 11 Non - Current Investment</i>			Quantity	Rupees	Quantity	Rupees
<b>a)</b>	<b>Quoted- Fully paid up (At Cost)</b>					
	<b>Investments in Equity Shares:</b>					
	Camlin Fine Sciences Limited	1.00	-		4,500.00	412,581.05
	Coal India Limited	10.00	-		2,800.00	1,081,194.90
	IDFC Limited	10.00	-		18,000.00	2,294,567.20
	Reliance Infrastructure Limited	10.00	-		350.00	176,995.00
	State Bank of India	1.00	-		5,000.00	1,405,970.10
	Wipro Limited	2.00	-		2,000.00	1,178,921.50
	<b>Total Quoted Investments</b>			-		<b>6,550,229.75</b>
	<b>Aggregate Market Value of Quoted Investments</b>			-		<b>7,157,432.50</b>
<b>b)</b>	<b>Unquoted- Fully paid up (At Cost)</b>					
	Investments in subsidiaries					
	Munoth Retail Private Limited	10.00	89,999.00	899,990.00	89,999.00	899,990.00
	<b>Total Unquoted Investments</b>			<b>899,990.00</b>		<b>899,990.00</b>
	<b>Total Investments (a+b)</b>			<b>899,990.00</b>		<b>7,450,219.75</b>

While determining diminution other than temporary in value of the long term quoted/unquoted investment has not been provided as in view of the management such diminution is temporary in nature and as such there is no requirement of making any provision.

# MUNOTH CAPITAL MARKET LIMITED

CIN:- L99999MH1986PLC040833

NOTES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2016

Sr. No	Particulars	RUPEES	RUPEES
		For the year Ended 31.03.2016	For the year Ended 31.03.2015
<i>Note : 16 Revenue from Operations</i>			
	<u>FEE BASED FINANCIAL SERVICES</u>		
1	Brokerage	1,199,951	3,219,594
2	D.P. Income	1,799,019	97,493
3	Auction Charges Income	15,339	512
4	Profit on Trading	1,040,271	1,280,503
	Total in `	4,054,581	4,598,103
<i>Note : 17 Other Income</i>			
1	<u>Interest Received on</u> a) Fixed Deposits	1,966,837	1,957,217
2	<u>Other Non Operating Income</u> a) Gain from Sale of Investment b) Miscellaneous Income	503,600 154,244	2,064,627 38,006
	Total in `	2,624,681	4,059,850
<i>Note : 18 Employment Benefit Expenses</i>			
1	Salaries & Allowances	2,127,705	729,667
2	Incentives	-	75,000
	Total in `	2,127,705	804,667
<i>Note :19 Finance Cost</i>			
1	Interest Paid	492,233	1,338,275
2	Bank Charges	3,759	2,488
3	Processing Charges	-	150,000
	Total in `	495,992	1,490,763

**Note : 20 Other Administrative Expenses**

1	Advertisement Expenses	37,383	41,807
2	Auditors Remuneration :		
	a) Statutory Audit Fees	50,000	50,000
3	Bad Debts	-	544,347
4	Courier & Postage Charges	69,221	18,356
5	Custodial Charges	9,000	-
6	Demat charges	121,600	54,420
7	Donation	21,000	300,000
8	Insurance Expenses	670	578
9	Internet Charges	69,054	11,250
10	Listing Fees	200,000	100,000
11	Leased Line Charges	26,599	23,500
12	Miscellaneous Expenses	63,218	-
13	NSDL Charges	11,000	6,000
14	BSE Charges	5,649	56,548
15	CDSL Charges	129,316	126,299
16	Office expenses	197,692	211,286
17	Printing & Stationery	22,512	22,347
18	Legal & Professional Fees	2,621,595	1,271,294
19	Rent & Compensation charges	-	126,000
20	ROC Fees	10,100	30,500
21	Repairs and Maintenance		
	(a) Computer and Software	186,125	111,125
	(b) Others	42,660	122,195
22	Other Charges	158,149	157,740
23	Share Registrar & Transfer Charges	-	-
24	Membership & Subscription	74,500	32,000
25	Telephone charges	35,328	32,592
26	Website Development Charges	36,250	9,500
27	Travelling expenses	177,978	213,286
28	V-sat Support Charges	48,000	48,000
	<b>Total in `</b>	<b>4,424,599</b>	<b>3,720,969</b>

**Note-1 Forming part of the accounts for the year ended 31st March, 2016**

**1.1 BASIS OF ACCOUNTING:**

The Financial Statements have been prepared under the historical cost convention, on accrual basis to comply in all material respects with all applicable accounting principles in India, the applicable Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. and the relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities

**1.2 USE OF ESTIMATES:**

The preparation of the financial statements are in conformity with the generally accepted accounting principles that requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

**1.3 FIXED ASSETS :**

The fixed assets are stated at acquisition cost less accumulated depreciation.

**1.4 DEPRECIATION :**

- Depreciation on tangible Assets is provided on the written down value method over the useful life of assets in accordance with Schedule II of the Companies Act, 2013.
- Depreciation for assets purchased /sold during a period is proportionately charged.
- Assets are amortized over their respective individual estimated useful lives on a written down basis, commencing from the date the asset is available to the Company for its use.

The estimated useful lives for the fixed assets as per Schedule II of the Act are as follows:

- Servers and software : 6 years
- Computer : 3 years
- System & Peripherals
- Furniture & Fixtures : 10 years
- Air Conditioner : 15 years
- Motor Cycle : 10 years

The residual value of assets after its useful life is estimated at 5% of the cost of the assets in accordance with Schedule II of the Act

### **1.5 INVESTMENTS :**

- a) Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.
- b) Investments are classified as Quoted & Unquoted Investments.
- c) Long term Investments are stated at cost less provision for permanent diminution in value of such investments.
- d) Current Investments are stated at lower of cost and fair market value, determined by category of Investments.

### **1.6 RETIREMENT BENEFIT:**

The leave encashment scheme of the company is not in the nature of retirement benefit and hence no provision is necessary for the same.

### **1.7 REVENUE RECOGNITION:**

- a) Brokerage income is recognized as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is inclusive of service tax.
- b) Transaction of dealing in shares & securities are booked in the accounts based on contract notes issued by the brokers and the account statements received. Transactions of derivatives are recognized under respective heads of accounts as and when the settlement takes place in accordance with the terms of respective contracts.
- c) Income from arbitrage in securities comprises profit/loss on sale of securities held as stock-in-trade.
- d) All incomes and expenditure are accounted for on accrual basis unless otherwise stated.
- e) Interest income is recognized on accrual basis, while dividend on shares

and securities is recognized when the right to receive the dividend is established.

#### **1.8 BORROWING COST:**

Interest and other costs incurred in connection with borrowing of the funds are charged to revenue on accrual basis except those borrowing cost which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalized with the fixed assets.

#### **1.9 EARNINGS PER SHARE (EPS):**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (after providing the post tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of equity shares outstanding during the year.

#### **1.10 INCOME TAX:**

a) **Current Tax:** A Provision for Current Income Tax / Minimum Alternate Tax is made on the Taxable Income using the applicable tax rates and tax laws respectively.

b) **Deferred Tax:** Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognized unless there is a virtual certainty with respect to the reversal of the same in future.

#### **1.11 IMPAIRMENT OF ASSETS:**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less costs to sell vis-à-vis value in use. For the purpose of impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

#### **1.12 PROVISIONS AND CONTINGENCIES:**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.



## NOTES ON ACCOUNTS:

### 21 CONSOLIDATED FINANCIAL RESULTS

Consolidated Financial Statements forming part of accounts with the auditors report thereon are attached herewith.

22 CONTINGENT LIABILITIES NOT PROVIDED FOR :-	(Rs.in Lacs)	
	<u>31.03.2016</u>	<u>31.03.2015</u>
a) Estimated amount of contracts remaining to be executed on capital account	NIL	NIL
b) Claims against company not acknowledge as debts	NIL	NIL
23 Foreign Exchange earnings and out-go is	Rs. NIL	NIL

### 24 SEGMENT REPORTING:

Segment Reporting as defined in Accounting Standard 17 is not applicable as the company is primarily engaged in Broking services in capital market.

### 25 Disclosure requirements as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India

#### I. List of Related Parties with whom transaction have taken place during the year:

##### a) Wholly owned Subsidiary Company

Munoth Retail Private Ltd.

##### b) Associate companies where director or relatives of director are interested

(i) Munoth Investment & Finance & Co. Pvt. Ltd.

(ii) Munoth Finance & Leasing Ltd

##### c) Key management Personnel

(i) Shantilal M Jain

(ii) Siddharth S Jain

(iii) Mukesh Patel

##### d) Affiliate of Subsidiary Company

(i) Deepkala Collection

**II. Particulars of transactions during the year with Related Parties :****(Rs. in Lacs)**

Name of the Party	Nature of transaction	31.03.2016	31.03.2015
Munoth Investment & Finance Co. Pvt. Ltd.	Loan Taken	9.18	6.17
	Loan Repayment	9.18	7.54
Munoth Finance & Leasing Ltd	Loan Given	NIL	NIL
	Loan Repayment	NIL	2.45
Munoth Retail Private Ltd	Loan Given	32.48	NIL
Deepkala Collection	Loan Given	10.40	75.65
	Loan Repayment	62.43	86.22
Shantilal M Jain	Loan Taken	10.24	322.80
	Loan Repayment	295.73	37.31
Siddharth S Jain	Advance for Expenses(Net)	0.00	0.52

**III. Particulars of Outstanding Balance at the end of the year with Related Parties:****(Rs. in Lacs)**

Name of the Party	Nature	31.03.2016	31.03.2015
Shantilal M Jain	LOan Taken–Repayable on demand	0.00	285.49
Siddharth S Jain	Advance for Expenses	0.00	0.58
Mukesh Patel	Advance for Expenses	0.00	1.75
Munoth Retail Private Ltd	Loan given-Repayable on demand	343.38	310.90
Deepkala Collection	Loan given-Repayable on demand	0.00	52.02

**26 Managerial Remuneration :-**

Salary and other benefits include remuneration paid to Director, as under :-

Nature of transaction	31/03/2016	31/03/2015
Remuneration Paid	NIL	NIL
Medical Expenditure	NIL	NIL

**27** In the absence of confirmation from parties and pending reconciliation the debit and credit balances with regard to recoverable and payable have been taken as reflected in the books. In the opinion of the Directors, short term or long term Loans and Advances, Current or Non current Assets, if realized in the ordinary course of business, have the value at which they are stated in the Balance Sheet.

## 28 EARNING PER SHARE:

Earning per share EPS Calculation (basic and diluted)

	<b>Unit</b>	31.3.2016	31.3.2015
a) Net Profit / (loss) attributable to equity shareholders	Rs.	(6,54,699)	16,60,476
b) Weighted average number of equity shares	No.	89,91,000	89,91,000
c) Nominal Value Per share	Rs.	5	5
d) Earning per share	Rs.	(0.07)	0.18

## 29 AUDITORS' REMUNERATION

<b>Particulars</b>	31.3.2016	31.3.2015
<b>As Auditor</b>		
Audit Fees	50,000	50,000
Service Tax	<u>7,250</u>	<u>6,180</u>
<b>Total</b>	<b>57,250</b>	<b>56,180</b>

30 Previous year figures have been regrouped / rearranged wherever necessary.

**For Vijay R. Tater & Co.**  
**Chartered Accountants**

**For and on behalf of the Board**

**Sd**

**sd**

**sd**

**CA. Suresh G. Kothari**  
**Partner**  
**(M.No.47625)**

**Siddharth S. Jain**  
**(Director)**  
**DIN: 00370650**

**Shantilal M Jain**  
**(Director)**  
**DIN:00370624**

**Place: Mumbai**

**Date: 30.05.2016**

To,  
The Members of  
**M/S. MUNOTH CAPITAL MARKET LIMITED**

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

We have audited the accompanying consolidated financial statements of M/s. Munoth Capital Market Limited (hereinafter referred to as "the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group") and its associate which comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate 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 the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act,

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 thereunder.

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 consolidated financial statements are free from material misstatement.

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

view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group and its associates as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2015 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. Further, the said order is not applicable to the subsidiary company and associate company.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) The matters described in Emphasis of matters paragraph above, in our opinion may have adverse effects on the functioning of the Group.
  - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and subsidiary company and associate incorporated in India, none of the directors of the Group and its associate company incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial positions of the Group and its associate company- Refer Note 15 to the consolidated financial statements.
  - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the holding company, its subsidiary company and associate company incorporated in India.

For **Vijay R. Tater & Co.**,  
Chartered Accountants  
(Registration No. 111426W)

**sd**  
**Suresh G. Kothari**  
Partner  
Membership No.:47625

**Place : Mumbai**  
**Date : 30.05.2016**

**Munoth Capital Market Limited**  
CIN:- L99999MH1986PLC040833  
CONSOLIDATED BALANCE SHEET AS AT 31-MAR-2016

	Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I.	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' Funds			
	(a) Share Capital	2	44,955,000	44,955,000
	(b) Reserves and Surplus	3	1,960,663	15,966,309
	Minority Interest		-	-
3	Non-Current Liabilities			
	(a) Long-Term Borrowings	4	7,585,093	11,115,713
	(b) Deferred Tax Liabilities (Net)	5	88,189	58,020
4	Current Liabilities			
	(a) Short Term Borrowings	6	-	28,549,000
	(b) Trade Payables	7	531,575	185,772
	(c) Other Current Liabilities	8	857,657	3,818,737
	(d) Short Term Provision	9	-	485,824
	<b>Total</b>		<b>55,978,177</b>	<b>105,134,375</b>
II.	<b>ASSETS</b>			
1	Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	10	283,511	413,666
	(b) Non-Current Investments	11	-	6,550,230
	(c) Long-Term Loans and Advances	12	17,544,766	22,747,113
2	Current Assets			
	(a) Trade receivables	13	58,184	58,184
	(b) Cash and Cash Equivalents	14	29,908,907	57,304,039
	(c) Short-Term Loans and Advances	15	8,143,564	18,021,896
	(d) Other Current Assets	16	39,247	39,247
	Significant accounting policies	1		
	Other Notes on accounts from are an integral part of the financials	22-29		
	<b>Total</b>		<b>55,978,177</b>	<b>105,134,375</b>

This is the Balance Sheet referred to in our Report of even date.

For Vijay R. Tater & Co  
Chartered Accountants  
FRN No 111426W

For and on behalf of the Board

sd  
CA Suresh G. Kothari  
Partner  
M No. 047625  
Place: Mumbai  
Date: 30.05.2016

sd  
Siddharth S Jain  
DIN: 00370650  
sd  
Shantilal M Jain  
DIN:00370624

Munoth Capital Market Limited

CIN:- L99999MH1986PLC040833

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-MAR-2016

	Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
I	Revenue from Operations	17	4,054,581	4,598,103
II	Other Income	18	2,624,681	4,059,850
III	TOTAL REVENUE (I + II)		6,679,262	8,657,953
IV	EXPENSES			
	Net Loss from Deepkala Collection (Proprietary Concern of Subsidiary Company-Munoth Retail Private Limited)		13,337,036	6,330,890
	Employee Benefit Expenses	19	2,127,705	804,667
	Finance Costs	20	495,992	1,492,404
	Depreciation and Amortization Expenses	10	244,624	305,479
	Other Administrative Expenses	21	4,438,509	3,747,690
	TOTAL EXPENSES		20,643,866	12,681,130
IX	Profit Before Tax		(13,964,604)	(4,023,177)
X	Tax Expense			
	Current Tax		-	485,824
	Taxation Adjustments of earlier years		10,872	176,143
	Deferred Tax		30,169	13,632
XV	Profit(Loss) for the Period(XI+XIV)		(14,005,645)	(4,698,776)
	Less: Minority Interest		-	(141)
	Net Loss carried to Balance Sheet		(14,005,645)	(4,698,917)
XVI	Earnings per Equity Share	27		
	-Basic		(1.56)	(0.52)
	-Diluted		(1.56)	(0.52)
	Significant accounting policies	1		
	Other Notes on accounts from are an integral part of the financials	22-29		

This is the Statement of Profit & Loss referred to in our Report of even date.

For Vijay R. Tater & Co

Chartered Accountants

FRN No 111426W

sd

CA Suresh G. Kothari

Partner

M No. 047625

Place: Mumbai

Date: 30.05.2016

For and on behalf of the Board

sd

sd

Siddharth S Jain

DIN: 00370650

Shantilal M Jain

DIN:00370624



**Munoth Capital Market Limited**  
**CIN:- L99999MH1986PLC040833**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

	YEAR ENDED ON 31.03.2016		YEAR ENDED ON 31.03.2015	
	RUPEES	RUPEES	RUPEES	RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax		(13,964,604)		(4,023,177)
Adjustments for :				
Deprecation	244,624		305,479	
Interest received	(1,966,837)	(1,722,213)	(1,957,217)	(1,651,738)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		(15,686,818)		(5,674,915)
Increase/(Decrease) in Short-term Borrowings	(28,549,000)		28,549,000	
Increase/(Decrease) in Trade Payables	345,803		113,356	
Increase/(Decrease) in Other Current Liabilities	(2,961,081)		(12,227,963)	
(Increase)/Decrease in trade receivables	(0)		-	
(Increase)/Decrease in short-term Loans and Advances	9,918,944		35,101,959	
<b>CASH GENERATED FROM OPERATIONS</b>		(21,245,334)		51,536,352
Direct Taxes Paid	(537,309)	(36,932,150)	(277,589)	45,861,437
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>		(37,469,459)		45,583,848
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(114,469)		(180,562)	
Proceeds from sale of non-current investments	6,550,230		3,360,617	
Investment in shares	-		(6,550,230)	
Interest received	1,966,837		1,957,217	
Long term Loans & advances	5,202,347		1,057,653	
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>		13,604,945		(355,305)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long Term Borrowings Taken	(3,530,620)		(10,742,484)	
<b>NET CASH (USED IN)/ FROM FINANCING ACTIVITIES</b>		(3,530,620)		(10,742,484)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(27,395,134)		34,486,059
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>		57,304,040		22,817,979
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>		29,908,907		57,304,040

**Notes:**

- 1) The above Cash Flow statement has been prepared under Indirect Method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- 2) The balance with the bank for unpaid dividend is not available for use by the company and the money remaining unpaid will be deposited in Investors Protection and Education Fund after the expiry of seven years from the date of declaration of
- 3) Figures in brackets indicates out go.
- 4) Previous year figures have been regrouped and recast wherever necessary.

As per our report of even date attached

For Vijay R. Tater & Co.

Chartered Accountants

Firm Registration No.111426W

For and on behalf of the Board

sd

CA Suresh G. Kothari

Partner

(M.No.47625)

Place: Mumbai

Date: 30.05.2016

sd

Siddharth S Jain

DIN: 00370650

sd

Shantilal M Jain

DIN:00370624

# Munoth Capital Market Limited

CIN:- L99999MH1986PLC040833

Consolidated Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016

Sr. No	Particulars	RUPEES	
		Current Year	Previous Year
<b>Note : 2 Share Capital</b>			
1	<b>AUTHORIZED CAPITAL</b> 18000000 (1,80,00,000) Equity Shares of Rs. 5/- each.	90,000,000	90,000,000
		90,000,000	90,000,000
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> <i>To the Subscribers of the Memorandum</i> 8991000(89,91,000) Equity Shares of Rs. 5/- each fully paid up.	44,955,000	44,955,000
	Total in `	44,955,000	44,955,000

## 2.1 a.) Reconciliation of number of the Equity Shares

Particulars	31.03.2016		31.03.2015	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	8,991,000	44,955,000	8,991,000	44,955,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	8,991,000	44,955,000	8,991,000	44,955,000

## (b) Rights, preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of Rs.5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

## 2.2 Details of shareholders holding more than 5% share in the company

Name of Share Holders	31.03.2016		31.03.2015	
	Number	% of holding	Number	% of holding
<b>Equity Shares of Rs.5 each fully paid</b>				
Munoth Investment and Finance Company Private Limited	2,526,750	28.10	2,526,750	28.10
Anima Investments Limited	1,540,350	17.13	1,540,350	17.13
Shantilal Misrimal Jain	775,422	8.62	775,422	8.62
Bhavridevi Shantilal Jain	640,350	7.12	640,350	7.12
Silver Croft Investment Pvt Ltd	634,500	7.06	634,500	7.06

## Note : 3 Reserve & Surplus

1	<b>General Reserve</b>		
	Opening Balance	33,035,000	33,035,000
	Add: Transferred from Profit & Loss Account	-	-
	Closing Balance	33,035,000	33,035,000
2	<b>Surplus (Profit &amp; Loss Account)</b>		
	Balance brought forward from previous year	(17,068,691)	(12,369,774)
	Add: Profit/(loss) for the period	(14,005,645)	(4,698,917)
	Balance carried forward to next year	(31,074,337)	(17,068,691)
	Total in `	1,960,663	15,966,309

## Note : 4 Long Term Borrowings

1	<b>Secured</b>		
	<b>Term Loans</b>		
	Syndicate Bank Ltd (Secured against Fixed Deposit of NIL (PY Rs 5.00 Lacs))	-	319
	Hdfc Bank Ltd (Secured against Fixed Deposite of Rs 1.20 Cr(PY 1.20 Cr))	7,585,093	11,115,394
	Total in `	7,585,093	11,115,713

*Note : 5 Deferred Tax Liability (net)*

<b>Break up of Deferred Tax Asset and Deferred Tax Liability arising out of timing differences</b>	<b>Current Year</b>	<b>Previous Year</b>
Deferred Tax Liability:- Opening	58,020	44,388
Add: (Deferred Tax Assets) / Deferred Tax Liability for timing difference on Depreciation [refer note (a) below]	30,169	13,632
Net (deferred Tax Assets) / Deferred Tax Liability	88,189	58,020

(a) Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is a virtual certainty with respect to the reversal of the same in future.

*Note : 6 Short Term Borrowings*

<u>Unsecured</u> Loan from Director (Repayable on demand)	-	28,549,000
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to above borrowings		
Period of default	NIL	NIL
Amount	NIL	NIL
Total in `	-	28,549,000

*Note : 7 Trades Payable*

1 Sundry Creditors for Expenses [Refer note (a) below]	531,575	185,772
Total in `	531,575	185,772

(a) The disclosure under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is not applicable to our company as we are neither a trading nor a manufacturing company and accordingly do not have any such suppliers

*Note : 8 Other Current Liabilities*

1 Advance from Customer - Margin Account	-	3,449,357
2 Statutory Dues	238,528	238,079
3 Others	619,128	131,301
Total in `	<b>857,657</b>	3,818,737

*Note : 9 Short Term Provision*

1 Provision for Tax	-	485,824
	-	485,824

# Munoth Capital Market Limited

CIN:- L99999MH1986PLC040833

*Consolidated Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016*

		RUPEES	RUPEES
Sr. No	Particulars	Current Year	Previous Year
<b>Note : 12 Long Term Loans and Advances</b>			
1)	<u>Loans &amp; Advances</u>		
	a) <u>Unsecured, Considered Good -</u> To Related Parties (refer note no 25)	-	5,202,347
2)	<u>Deposit</u>		
	a) <u>Secured, Considered Good :</u> Trade deposit	17,544,766	17,544,766
	Total in `	17,544,766	22,747,113
<b>Note : 13 Trade Recievables</b>			
1	Sundry Debtors Unsecured - Considered good - Outstanding for period exceeding six months from due date - Others	58,184 -	58,184 -
	Total in `	58,184	58,184
<b>Note : 14 Cash &amp; Bank Balances</b>			
A	<u>Cash &amp; Cash equivalent</u> s		
1	Cash-on-Hand	88,572	83,173
2	<u>Balances with Banks</u> In current account	6,418,323	34,239,331
B	<u>Other Bank Balances</u>		
	<u>Longterm deposit :</u>		
	Accrued interest on FD's	2,605,365	3,023,961
	maturity more than 3 months but less 12 months	6,500,000	7,037,161
	maturity more than 12 months	14,296,647	12,920,413
	Total	29,908,907	57,304,039
<b>Note :15 Short Terms Loans and Advances</b>			
1	Others <i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
	Balances with Income Tax Authorities	2,888,972	2,848,360
	Balances with Sales Tax Authorities	45,000	45,000
	Other Advances [Refer note "a" below]	5,209,592	15,128,536
	Total in `	8,143,564	18,021,896
<b>Note 16: Other Current Asset</b>			
a	Preliminary Expenses (Refer note "a" below)	39,247	39,247
		39,247	39,247
(a) The preliminary expenses will amortized from the previous year in which the company starts making profits.			

**MUNOTH CAPITAL MARKET LIMITED**

**CIN:- L99999MH1986PLC040833**

**Consolidated Notes forming part of the financial statements**

**10 Fixed assets**

Particulars	(a) Furniture and Fixtures	(b) NSE Software	(c) Computer	(d) Air Conditioner	(e) Motor Cycle	Total
<b>Cost or Valuation</b>						
At 1 April 2014	58,800	992,762	274,501	-	-	1,326,063
Additions	170,962	-	9,600	-	-	180,562
Disposals	-	-	-	-	-	-
At 31 March, 2015	229,762	992,762	284,101	-	-	1,506,625
Additions	-	-	15,750	56,719	42,000	114,469
Adjustments	-	-	-	-	-	-
At 31 March, 2016	229,762	992,762	299,851	56,719	42,000	1,621,094
<b>Depreciation</b>						
At 1 April 2014	25,734	706,846	54,900	-	-	787,480
Charge for the year	13,353	126,415	165,711	-	-	305,479
Disposals	-	-	-	-	-	-
At 31 March, 2015	39,087	833,261	220,611	-	-	1,092,959
Charge for the year	53,921	109,863	65,035	8,557	7,248	244,624
Adjustments	-	-	-	-	-	-
At 31 March, 2016	93,008	943,124	285,646	8,557	7,248	1,337,583
At 31 March, 2015	190,675	159,501	63,490	-	-	413,666
At 31 March, 2016	136,754	49,638	14,205	48,162	34,752	283,511

Notes :

1. Effect of Depreciation on Fixed Assets and on WDV of Assets has been taken based on Revised Schedule II of the Companies Act, 2013

2. Carrying life of Assets whose useful life has expired based on Revised Schedule II of the Companies Act, 2013 has been recognised in the opening balance of Profit & Loss A/c. (refer Note no 3)

# MUNOTH CAPITAL MARKET LIMITED

CIN:- L99999MH1986PLC040833

*Consolidated Notes forming part of the financial statements*

Sr. No	Particulars	Face Value	RUPEES		RUPEES	
			Current Year	Previous Year	Quantity	Rupees
<i>Note :11 Non - Current Investment</i>						
	<b>Quoted- Fully paid up (At Cost)</b>					
	<b>Investments in Equity Shares:</b>					
	Camlin Fine Sciences Limited	1.00	-	-	4,500.00	412,581.05
	Coal India Limited	10.00	-	-	2,800.00	1,081,194.90
	IDFC Limited	10.00	-	-	18,000.00	2,294,567.20
	Reliance Infrastructure Limited	10.00	-	-	350.00	176,995.00
	State Bank of India	1.00	-	-	5,000.00	1,405,970.10
	Wipro Limited	2.00	-	-	2,000.00	1,178,921.50
	<b>Total Quoted Investments</b>			-		<b>6,550,229.75</b>
	<b>Aggregate Market Value of Quoted Investments</b>			-		<b>7,157,432.50</b>
	<b>Total Investments</b>			-		<b>6,550,229.75</b>

While determining diminution other than temporary in value of the long term quoted/unquoted investment has not been provided as in view of the management such diminution is temporary in nature and as such there is no requirement of making any provision.

# MUNOTH CAPITAL MARKET LIMITED

CIN:- L99999MH1986PLC040833

CONSOLIDATED NOTES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2016

		RUPEES	RUPEES
Sr. No	Particulars	For the year Ended 31.03.2016	For the year Ended 31.03.2015
<b>Note : 17 Revenue from Operations</b>			
<b><u>FEE BASED FINANCIAL SERVICES</u></b>			
1	Brokerage	1,199,951	3,219,594
2	D.P. Income	1,799,019	97,493
3	Auction Charges Income	15,339	512
4	Profit on Trading	1,040,271	1,280,503
	<b>Total in `</b>	<b>4,054,581</b>	<b>4,598,103</b>
<b>Note : 18 Other Income</b>			
1	<b><u>Interest Received on</u></b> a) Fixed Deposits	1,966,837	1,957,217
2	<b><u>Other Non Operating Income</u></b> (a) Gain on Sale of Investment (b) Miscellaneous Income	503,600 154,244	2,064,627 38,006
	<b>Total in `</b>	<b>2,624,681</b>	<b>4,059,850</b>
<b>Note : 19 Employment Benefit Expenses</b>			
1	Salaries & Allowances	2,127,705	729,667
2	Incentives	-	75,000
	<b>Total in `</b>	<b>2,127,705</b>	<b>804,667</b>
<b>Note :20 Finance Cost</b>			
1	Interest Paid	492,233	1,338,275
2	Bank Charges	3,759	4,129
3	Processing Charges	-	150,000
	<b>Total in `</b>	<b>495,992</b>	<b>1,492,404</b>
<b>Note : 21 Other Administrative Expenses</b>			
1	Advertisement Expenses	37,383	41,807
2	Auditors Remuneration :		
	a) Statutory Audit Fees	50,000	61,236
3	Bad Debts	-	544,347
4	Courier & Postage Charges	69,221	18,356
5	Custodial Charges	9,000	-
6	Demat charges	121,600	54,420
7	Donation	21,000	300,000
8	Insurance Expenses	670	578
9	Internet Charges	69,054	11,250
10	Listing Fees	200,000	100,000
11	Leased Line Charges	26,599	23,500
12	Miscellaneous Expenses	63,218	-
13	NSDL Charges	11,000	6,000
14	BSE Charges	5,649	56,548
15	CDSL Charges	129,316	126,299
16	Office expenses	197,692	211,286
17	Printing & Stationery	22,512	22,347
18	Legal & Professional Fees	2,634,705	1,277,979
19	Rent & Compensation charges	-	126,000
20	Repairs and Maintenance :		
	(a) Computer and Software	186,125	111,125
	(b) Others	42,660	122,195
21	ROC Fees	10,900	39,300
22	Other Charges	158,149	157,740
23	Membership & Subscription	74,500	32,000
24	Telephone charges	35,328	32,592
25	Website Development Charges	36,250	9,500
26	Travelling expenses	177,978	213,286
27	V-sat Support Charges	48,000	48,000
	<b>Total in `</b>	<b>4,438,509</b>	<b>3,747,690</b>

## MUNOTH CAPITAL MARKET LIMITED

### Note-1 Forming part of the consolidated accounts for the year ended 31st March, 2016

#### A. Group Information

Subsidiary Considered in the Consolidated Financial Statement:

Name of the company	% of Ownership at 31 <sup>st</sup> March 2016	% of Ownership at 31 <sup>st</sup> March 2015
Munoth Retail Private Limited	99.998%	99.998%

#### B. Principles of Consolidation

The consolidated Financial Statements relate to Munoth Capital Market Limited (“the company”) and its subsidiary company (hereinafter referred as “the Group”). The consolidated financial statements have been prepared on the following basis.

- The financial statements of the Company and its subsidiary company have been consolidated on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standards (AS) 21-“Consolidated Financial Statements” as notified by Companies (Accounting Standards) Rules 2006 (as amended).
- The difference between the cost of investment in the subsidiary and the company’s share of equity on the date of acquisition of shares in the subsidiary is recognized in the financial statement as Goodwill or Capital Reserve as the case may be.
- Minority Interest’s share of net loss of consolidated subsidiary for the year is identified and adjusted against the loss of the group in order to arrive at the net loss attributable to shareholders of the company.
- Minority Interest’s share of net assets of Consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company’s shareholders.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company’s separate financial statements.



## **C. Other Significant Accounting Policies**

### **1.1 Basis of Accounting :**

The Financial Statements have been prepared under the historical cost convention, on accrual basis to comply in all material respects with all applicable accounting principles in India, the applicable Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities

### **1.2 Use of Estimates:**

The preparation of the consolidated financial statements are in conformity with the generally accepted accounting principles that requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

### **1.3 Fixed Assets :**

The fixed assets are stated at acquisition cost less accumulated depreciation.

### **1.4 DEPRECIATION :**

Depreciation on tangible Assets is provided on the written down value method over the useful life of assets in accordance with Schedule II of the Companies Act, 2013.

Depreciation for assets purchased /sold during a period is proportionately charged.

Assets are amortized over their respective individual estimated useful lives on a written down basis, commencing from the date the asset is available to the Company for its use.

The estimated useful lives for the fixed assets as per Schedule II of the Act are as

follows:

Servers and software	: 6 years
Computer System & Peripherals	: 3 years
Furniture & Fixtures	: 10 years
Air Conditioner	: 15 years
Motor Cycle	: 10 years

The residual value of assets after its useful life is estimated at 5% of the cost of the assets in accordance with Schedule II of the Act

#### **1.5 Investments :**

- e) Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.
- f) Investments are classified as Quoted & Unquoted Investments.
- g) Long term Investments are stated at cost less provision for permanent diminution in value of such investments.
- h) Current Investments are stated at lower of cost and fair market value, determined by category of Investments.

#### **1.6 RETIREMENT BENEFIT:**

The leave encashment scheme of the company is not in the nature of retirement benefit and hence no provision is necessary for the same.

#### **1.7 REVENUE RECOGNITION:**

- f) Brokerage income is recognized as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is inclusive of service tax.
- g) Transaction of dealing in shares & securities are booked in the accounts based on contract notes issued by the brokers and the account statements received. Transactions of derivatives are recognized under respective heads of accounts as and when the settlement takes place in accordance with the terms of respective contracts.
- h) Income from arbitrage in securities comprises profit/loss on sale of securities held as stock-in-trade.
- i) All incomes and expenditure are accounted for on accrual basis unless otherwise stated.
- j) Interest income is recognized on accrual basis, while dividend on shares and securities is recognized when the right to receive the dividend is

established.

**1.8 BORROWING COST:**

Interest and other costs incurred in connection with borrowing of the funds are charged to revenue on accrual basis except those borrowing cost which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalized with the fixed assets.

**1.10 EARNINGS PER SHARE (EPS):**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (after providing the post tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of equity shares outstanding during the year.

**1.10 INCOME TAX:**

**a) Current Tax:** A Provision for Current Income Tax / Minimum Alternate Tax is made on the Taxable Income using the applicable tax rates and tax laws respectively.

**b) Deferred Tax:** Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is a virtual certainty with respect to the reversal of the same in future.

**1.11 IMPAIRMENT OF ASSETS:**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less costs to sell vis-à-vis value in use. For the purpose of impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

**1.12 PROVISIONS AND CONTINGENCIES:**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

## 1.13 **SEGMENT REPORTING:**

### **Identification of Segments**

The company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products.

### **Allocation of common costs**

Common allocable costs are allocated to each segment on reasonable basis.

### **Unallocated items**

Unallocated assets and liabilities represent the assets and liabilities not allocable to any segment as identified as per the Accounting Standard.

### **Segment Policies**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**CONSOLIDATED NOTES ON ACCOUNTS:****22 CONTINGENT LIABILITIES NOT PROVIDED FOR :-**

(Rs.in Lacs)

	<u>31.03.2016</u>	<u>31.03.2015</u>
a) Estimated amount of contracts remaining to be executed on capital account	NIL	NIL
c) Claims against company not acknowledge as debts	NIL	NIL
<b>23</b> Foreign Exchange earnings and out-go	NIL	NIL

**24 SEGMENT REPORTING:**

The financial statement of the subsidiary company-Munoth Retail Private Limited reflect total assets Rs 20.02 Lacs (PY Rs.120.91 Lacs) as at 31st March,2016 and loss of Rs 133.50 Lacs(PY Rs. 63.59 ) Lacs for the year ended on that date.

**25 Disclosure requirements as per Accounting Standard 18 (AS-18) “Related Party Disclosure” issued by the Institute of Chartered Accountants of India****II. List of Related Parties with whom transaction has been taken place during the year:****a) Wholly owned Subsidiary Company**

Munoth Retail Private Ltd.

**b) Associate companies where director or relatives of director are interested**

(i) Munoth Investment & Finance & Co.Pvt. Ltd.

(ii) Munoth Finance & Leasing Ltd

**c) Key management Personnel**

(i) Shantilal M Jain

(ii) Siddharth S Jain

(iii) Mukesh Patel

**d) Affiliate of Subsidiary Company**

(i) Deepkala Collection

(ii)

**III. Particulars of transactions during the year with Related Parties :**

(Rs. in Lacs)

Name of the Party	Nature of transaction	<b>31.03.2016</b>	<b>31.03.2015</b>
Munoth Investment & Finance Co. Pvt. Ltd.	Loan Taken	9.18	6.17
	Loan Repayment	9.18	7.54
Munoth Finance & Leasing Ltd	Loan Given	NIL	NIL
	Loan Repayment	NIL	2.45
Deepkala Collection	Loan Given	10.40	75.65

	Loan Repayment	62.43	86.22
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**IV. Particulars of Outstanding Balance at the end of the year with Related Parties:**

Name of the Party	(Rs. in Lacs)	
	31.03.2016	31.03.2015
Siddharth S Jain	0.00	0.58
Mukesh Patel	0.00	1.75

**26** In the absence of confirmation from parties and pending reconciliation the debit and credit balances with regard to recoverable and payable have been taken as reflected in the books. In the opinion of the Directors, short term or long term Loans and Advances, Current or Non current Assets, if realized in the ordinary course of business, have the value at which they are stated in the Balance Sheet.

**27 EARNING PER SHARE:**

Earning per share EPS Calculation (basic and diluted)

	Unit	31.3.2016	31.3.2015
a) Net Profit / (loss) attributable to equity shareholders.	Rs.	(1,40,05,645)	(46,98,776)
b) Weighted average number of equity shares	No.	89,91,000	89,91,000
c) Nominal Value Per share	Rs.	5	5
d) Earning per share	Rs.	(1.56)	(0.52)

**28 AUDITORS' REMUNERATION**

Particulars As Auditor	31.3.2016	31.3.2015
Audit Fees	60,000	60,000
Service Tax	8,700	7,416
<b>Total</b>	<b>68,700</b>	<b>67,416</b>

**29** Previous year figures have been regrouped / rearranged wherever necessary.

**For Vijay R. Tater & Co.  
Chartered Accountants**

**For and on behalf of the Board**

sd

sd

sd

**CA. Suresh G. Kothari  
Partner  
(M.No.47625)  
Place: Mumbai  
Date: 30.05.2016**

**Siddharth S. Jain  
(Director)  
DIN: 00370650**

**Shantilal M Jain  
(Director)  
DIN:00370624**

**ATTENDANCE SLIP**  
 Annual General Meeting -14<sup>th</sup> September, 2016.

Name of the attending Member/Proxy : \_\_\_\_\_

Member's Folio No. / Client ID : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

I/We hereby record my/our presence at the Annual General Meeting of the Company held on Wednesday, 14<sup>th</sup> September, 2016 at the Registered office of the Company situated at Shanti Nivas, Opp. Shapath -V, Nr. Karnavati Club, S G Road, Ahmedabad – 380058, Gujarat, India at 11:00 A.M.

Signature of the Attending Member/Proxy

- Notes :
1. Shareholder / Proxy holder wishing to attend the meeting must bring the attendance slip to the Meeting and hand it over at the entrance duly signed.
  2. Share holder / Proxy holder desiring to attend the meeting should bring his/her copy of Annual Report for reference at the meeting.

-----Tear Here-----  
 -

Form No. MGT-11  
 Proxy form  
 [Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]  
 Annual General Meeting -14<sup>th</sup> September, 2016.

Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

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

1. Name: .....  
 Address:  
 E-mail Id:  
 Signature:....., or failing him/her

2. Name: .....  
 Address:  
 E-mail Id:  
 Signature:....., or failing him/her

3. Name: .....

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on Wednesday, the 14<sup>th</sup> day of September, 2016 at 11.00 a.m. at the Registered Office of the Company situated at Shanti Nivas, Opp. Shapath - V, Nr. Karnavati Club, S.G.Road, Ahmedabad – 380058 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016 together with the Report of the Board of Directors and Auditors thereon.
2. Appointment of a Director in place of Mr. Shantilal Misrimal Jain (DIN: 00370624) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of M/s. Vijay R. Tater & Co., Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.
4. Appointment of Mrs. Varsha Aakesh Gulecha (DIN: 07283903) as an Independent Director of the Company.

Signed this..... day of..... 2016

Affix Signature Revenue
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Signature of shareholder

Signature of Proxy holder(s)

Note:

1. 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.
2. The proxy need not be a member of the company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.



### Route Map to the Venue of the AGM

Address: Shanti Nivas, Opp. Shapath - V, Nr. Karnavati Club, S.G.Road, Ahmedabad -380058, Gujarat, India.

