



MUNOTH COMMUNICATION LIMITED

BOARD OF DIRECTORS

Lalchand Munoth, Chairman
Jaswant Munoth, Managing Director
Bharat Munoth
Manish Mardia
Ranjani Padmanabhan
M.Jayantilal Jain

DEPUTY COMPANY SECRETARY

P. Rajesh

AUDITORS

Kumbhat & Co.,
Chartered Accountants
144, N.S.C. Bose Road
Chennai - 600 079.

BANKERS

Indian Bank
Bank of Baroda
The Federal Bank Ltd.
ICICI Bank Ltd.

LEGAL ADVISORS

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

REGISTRARS AND SHARE TRANSFER AGENT

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

REGISTERED OFFICE

Munoth Centre, Suite No. 48
3rd Floor, 343, Triplicane High Road,
Chennai - 600 005.

CONTENTS

	Page No.
Notice	2
Director's Report	4
Report on Corporate Governance	7
Management Discussion and Analysis Report	15
Auditor's Report	19
Balance Sheet	22
Profit & Loss Account	23
Schedule to Accounts	24
Cash Flow Statement	40
Balance Sheet Abstract & Company's General Profile	42



MUNOTH COMMUNICATION LIMITED

MUNOTH COMMUNICATION LIMITED

REGD. OFFICE: SUITE NO. 48, MUNOTH CENTRE
3RD FLOOR, 343 TRIPLICANE HIGH ROAD
CHENNAI - 600 005

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on Tuesday , 23rd August 2011 at 10:30 A.M at Nahar Hall (South India Hire Purchase Association), Desabandhu Plaza, 1st floor, 47, Whites Road,Royapettah, Chennai – 600 014 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2011 and the Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Manish Mardia who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration of Rs. 60,000 /- plus out of pocket expenses.

By Order of the Board
for **MUNOTH COMMUNICATION LIMITED**

Lalchand Munoth
Chairman

Place : Chennai
Date : 14/05/2011

NOTES:

APPOINTMENT OF PROXY

The Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Shareholder of the Company. The proxy, in order to be effective, must be received by the company not later than 48 hours before the meeting.

CLOSURE OF REGISTER OF MEMBER:

The Register of Members and the Share Transfer Books of the Company will remain closed from August 22, 2011 to August 23, 2011 (Both days inclusive).

CHANGE OF ADDRESS:

The Shareholders are requested to intimate the change, if any, in their Registered Address, to Cameo Corporate Services Ltd, "Subramaniam Building", No.1, Club House Road, Chennai - 600 002. In case of shares held in dematerialised form this information should be passed on to the respective Depository Participant without any delay.

ATTENDANCE SLIP:

For the convenience of the Shareholders Attendance slip is annexed to the proxy form. The Shareholders are requested to fill in and affix their signatures at the space provided therein and hand over the attendance slip at the entrance of the place of the meeting. Proxy/Representative of Sharehold-



MUNOTH COMMUNICATION LIMITED

ers should mark on the attendance slip as “Proxy” or “Representative” as the case may be. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.

CONSOLIDATION OF FOLIOS:

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

DEMATERIALISATION OF SHARES:

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

REQUEST TO MEMBERS:

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



MUNOTH COMMUNICATION LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting their Twenty Seventh Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2011

FINANCIAL RESULTS:

Particulars	2010-2011 Rs.in Lacs	2009-2010 Rs. in Lacs
Total Income	703.42	91.25
Total Expenditure	684.94	64.35
Profit / (Loss) before Depreciation	18.48	26.90
Less: Depreciation	12.72	9.53
Profit / (Loss) before Tax	5.76	17.37
Less: Provision for Tax	-	0.79
Profit / (Loss) after tax	5.76	16.58
Less: Deferred Tax adjustment for the year	4 .01	6.59
Profit for the year	1.75	9.99
Loss brought forward	341.54	351.53
Profit / (Loss) carried forward	(339.79)	(341.54)

REVIEW OF BUSINESS OPERATIONS:

The Company has launched MUNOTH brand of mobile phones in the country. Currently it has five models A9, A28, A29, A36 and S5. S5 is an application based phone meant for senior citizen. MCL has set up a website www.soshealth.co.in where in the users of S5 can store their medical data. S5 has been featured in leading newspaper/magazine and was also featured in Haward review. MCL was also appointed as distributor for G'Five mobile phones for Tamilnadu, Karnataka and Gujarat. In the current year the Company sales is at Rs. 6.16 crores and a profit before tax of Rs. 5.76 lakhs.

FUTURE PROSPECTS:

The Company will focus on application based phones in its own brand.MUNOTH and continue to distribute phones of other brands. The Company expects to increase sales considerably in the current year of operation.

DIVIDEND:

On account of the carried forward losses sustained by the company, your Directors regret their inability to declare any dividend.

CORPORATE GOVERNANCE:

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

DIRECTORS:

In terms of provisions of the Articles of Association, Mr. Manish Mardia retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.



MUNOTH COMMUNICATION LIMITED

DIRECTOR'S RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA) which was introduced by the Companies (Amendment) Act, 2000 your Director's confirm that:-

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the close of the financial year ended 31st March 2011 and of the Profit/Loss of the company for the year ended 31st March 2011.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE:

The Audit committee constituted by the Board of Directors consists of three Independent Directors Viz.

- | | | |
|----|--------------------------|----------|
| 1. | Mr. Manish Mardia | Chairman |
| 2. | Mr.M Jayantilal Jain | Member |
| 3. | Mrs. Ranjani Padmanabhan | Member |

The constitution of the Audit Committee also meets the requirements of Sec.292A of the Companies Act 1956 as introduced by the Companies (Amendment) Act 2000. The terms of reference specified by the Board to the Audit Committee are as per clause 49 of the Listing Agreement.

REMUNERATION COMMITTEE:

The remuneration committee has been constituted for performing inter alia the role/various functions as set out under clause 49 of the listing agreement with the Stock Exchanges and also in pursuance to the amendments made to Schedule XIII to the Companies Act, 1956.

DEPOSITORY SYSTEM:

As per SEBI's Directive, Equity Shares of your company is now compulsorily traded in dematerialised form. In this connection your company has signed an agreement with NSDL & CDSL for dematerialisation of its equity shares. As of date Equity Shares representing about 85.84% of the Shares Capital have been dematerialised. The company has appointed M/s. Cameo Corporate Services Limited as Registrars for the purpose of electronic connectivity for effecting dematerialisation of shares.

FIXED DEPOSITS

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

STOCK EXCHANGES

The Company's shares are listed on Madras Stock Exchange, Bombay Stock Exchange and Ahmedabad Stock Exchange. The Listing fees to all Stock Exchanges have been paid up to date.

STATUTORY INFORMATION: PARTICULARS:

There are no persons, employed in the company either during the year or part of the year who were in receipt of remuneration exceeding the sums prescribed under the provision of Sec.217 (2A) of the Companies Act, 1956.



MUNOTH COMMUNICATION LIMITED

DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company being in the trading business, requirement regarding the disclosure of particulars relating to conservation of energy and technology absorption prescribed by the rules are not applicable.

AUDITORS:

M/s.Kumbhat & Co., Chartered Accountants, the Auditors of the Company, retires at the close of the ensuing Annual General Meeting and are eligible for re-appointment.

PERSONNEL:

Employee relations have been very cordial during the year under review.

ACKNOWLEDGEMENT:

Your Directors express their deep gratitude for the assistance, co-operation and support extended to your company by the Bankers and other valued clients. The Board gratefully express their thanks to you all for the trust you have reposed in the Company and look forward to your continued support. Your Directors take this opportunity to place on record their warm appreciation of the valuable contribution, unstinted efforts and the spirit of dedication by the employees and officers at all levels in the progress of the company.

For and on behalf of the Board of Directors

Place: Chennai
Date: 14/05/2011

LALCHAND MUNOTH
Chairman



REPORT ON CORPORATE GOVERNANCE 2010-2011

A MANDATORY REQUIREMENTS:

1. Company's Philosophy on code of corporate Governance

Munoth Communication Limited's commitment to good corporate governance practices is to ensure transparent disclosures and reporting that conforms fully to laws, regulations and guidelines and to promote ethical conduct throughout the Company with an emphasis on accountability beyond the stipulations required for fulfillment of the requirements of the Listing Agreement with Stock Exchanges.

2. Board of Directors

2.1 Composition

The Board consists of 6 members; of whom 3 are Executive and 3 are Independent Directors.

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

Mr. Manish Mardia, is a practicing Chartered Accountant and also holds a Master degree in Business Administration. He has specialized in the area of the Company Audits and taxation, He is on the Board since the year 2001. He is the Chairman of Audit and Remuneration Committee constituted by the Board of Directors of the Company. He is also the Director of Munoth Industries Limited.

2.2 Board Procedures

Dates for the board meetings were decided well in advance. The board meetings are held at the registered office of the Company. Five Board meetings were held on April 23, 2010, May 21, 2010, July 30, 2010, October 29, 2010 and January 31, 2011 during the year ended March 31, 2011 .

2.3 Availability of Information to the Board Members

The information regularly supplied to the Board includes:

- Quarterly results of the company
- Operations of the Company and its financial performance
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment of financial head and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important by or against the Company
- All Compliance reports and Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as delay in share transfer etc.
- Any material default in financial obligations to and by the company, or substantial nonpayment of dues to the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Donations and other significant matters.
- Significant labour matters and human resource issue.
- Sale of material nature, of investments, assets, which is not in normal course of business.



MUNOTH COMMUNICATION LIMITED

2.4 Outside directorships and committee positions:

Table showing the number of outside directorships and committee positions held by the directors are given below:

Name of Director	Attendance		Directorships (Private Cos excluded)		Chairman / Member of Committees of Listed Companies
	Board Meeting	AGM	Listed Cos	Unlisted Public Companies	
Mr. Lalchand Munoth (Chairman)	4	Yes	1	2	1
Mr. Jaswant Munoth (Managing Director)	4	Yes	1	2	1
Mr. Bharat Munoth (Director)	5	Yes	1	3	-
Mr. Manish Mardia	5	Yes		1	
Mrs Ranjani Padmanabhan	5	Yes		1	
Mr. M Jayantilal Jain	5	Yes	1		2

Notes:

Explanation:

- For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, are included and all other companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act are excluded.
- For the purpose of reckoning the limit under this sub-clause, Chairmanship/ membership of the Audit Committee and the Shareholders' Grievance Committee alone are considered.

2.5 Non executive directors' compensation and disclosures

The Company does not have any pecuniary relationship/transactions other than the payment of sitting fees with the Non-Executive Directors during the financial year.

2.6 Code of Conduct :

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

2.7 Legal Compliance reporting :

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



3. Audit committee

3.1. Composition

Our Audit committee comprises of the following Independent Directors:

1. Mr. Manish Mardia, Chairman
2. Mr. M Jayantilal Jain, Member
3. Mrs. Ranjani Padmanabhan, Member

3.2 Audit Committee attendance during the financial year

Four Audit Committee meetings were held on the following dates: May 8, 2010, July 29, 2010, October 28, 2010 and January 30, 2011.

Name of the Director	Status	No. of Meetings attended
Mr. Manish Mardia	Chairman	4
Mr. M Jayantilal Jain	Member	4
Ms Ranjani Padmanaban	Member	4

3.3 Brief Term of reference :

The terms of reference of the Audit Committee are extensive and include all that is mandated in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. Apart from overseeing and monitoring the financial reporting system within the company and considering the un-audited and audited results for the relevant quarter and the year as the case may be, before being adopted by the Board, the audit committee focus its attention on topics such as:

- Review of annual revenue and capital budgets
- Annual internal audit plan
- Legal compliance reporting system
- Related party transactions of a material nature
- Investment and provisioning guidelines
- Presentation of consolidated financial statement
- Review of internal control systems
- Audit methodology and process
- Major accounting policies and practices
- Compliance with accounting standards, and risk management.

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

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

4. Remuneration Committee:

4.1 Composition

The Committee consists of the following Non-Executive Independent Directors:

1. Mr. Manish Mardia, Chairman
2. Mr. M Jayantilal Jain, Member
3. Mrs. Ranjani Padmanabhan, Member

The committee is vested with all necessary powers and authority to determine and recommend the remuneration payable to Executive Directors. There was no meeting held on the financial year 2010 – 2011.



4.2 Remuneration Policy:

Non-Executive Independent Directors

No other remuneration other than sitting fees is paid to non-executive independent Directors..

Executive Directors

The remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining high caliber management talent by valuing their performance on the basis of their contribution during the year, considering the prevailing internal & external business environment at the same time giving weightage to the prevailing competitive market practices. The amount paid to the Executive Directors is as per the approval of the Members in their general meeting..

The remuneration paid to Mr. Jaswant Munoth, Managing Director for the year ended 31.03.2011 is as follows:

	Rs. in Lakh
Salary	15.00
Commission -Perquisites & other allowances	-
Total	15.00

5 Shareholders' and Investors' Grievance committee

5.1 Constitution and Composition:

The Board of Directors has constituted the Shareholders' and Investors' Grievance Committee in 2000. This Committee specifically looks into the Shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report etc., In addition, the Committee also looks into matters that can facilitate better investor services and relations.

The committee consists of the following Directors:

1. Mr. M Jayantilal Jain, Chairman
2. Mr. Lalchand Munoth
3. Mr. Jaswant Munoth

5.2 Investors' Grievance Committee Attendance and Topics discussed

The committee met 6 times on the following dates: June 15, 2010, July 15, 2010, August 31, 2010, October 15, 2010, January 30, 2011 and March 31, 2011.

Name of the Director	No. of Meetings	Held Attended
Mr. Lalchand Munoth	6	6
Mr. Jaswant Munoth	6	6
Mr. M Jayantilal Jain	6	6

The committee focused its attention on various topics, such as:

- Investors' queries and complaints regarding transfer, annual reports, etc
- Complaints of investors routed by SEBI/Stock Exchanges
- Transfer, transmission, dematerialisation and rematerialisation of shares
- New share certificates with the changed corporate identity
- Secretarial audits..



MUNOTH COMMUNICATION LIMITED

6. General Body Meetings:

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

year	Location	Date	Time
2007-2008	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	22nd August 2008	9:45 A M
2008-2009	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	31st August 2009	9.45 A M
2009-2010	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	12th August 2010	10.15 A M

There was no special resolution passed in the last Annual General Meeting. During the year ended 31 March 2011, there has been no resolution passed by the Company's Shareholders by Postal Ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by Postal Ballot.

7. Disclosures:

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

NIL

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

NIL

- c. Whistle Blower Policy has been adopted by the Company and employees are free to raise issues, if any pertaining to Company's operations and report them to Audit Committee.
- d. The Company has complied with the mandatory requirements of revised Clause 49 of the Listing Agreement. The non mandatory requirements adopted by the Company are separately given in the Annual Report

8. Means of Communication:

- * Half yearly report sent to each household of shareholders: No
- *Quarterly Results normally published in the newspapers: The Trinity Mirror
Makkal Kural (Tamil Daily)
- *Website of the Company: www.munothcommunication.com



MUNOTH COMMUNICATION LIMITED

*Whether it also displays, official news releases and Presentations made to institutional Investors/ Analysis	Yes
*Whether Management Discussion & Analysis (MD & A) report is a part of Annual Report:	Yes
* Whether shareholder information Section forms part of the Annual Report	Yes

9. General Shareholder information:

1	Annual General Meeting	Tuesday , August 23, 2011 at 10. 30 AM at Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014												
b)	Financial Calendar:	<table> <tr> <td>First Quarter Results:</td> <td>July</td> </tr> <tr> <td>Second Quarter Results:</td> <td>October</td> </tr> <tr> <td>Third Quarter Results:</td> <td>January</td> </tr> <tr> <td>Last Quarter Results and Annual Results</td> <td>within 60 days of the end of financial year</td> </tr> </table>	First Quarter Results:	July	Second Quarter Results:	October	Third Quarter Results:	January	Last Quarter Results and Annual Results	within 60 days of the end of financial year				
First Quarter Results:	July													
Second Quarter Results:	October													
Third Quarter Results:	January													
Last Quarter Results and Annual Results	within 60 days of the end of financial year													
c)	Dates of Book Closure	August 22, 2011 to August 23, 2011 (Both days inclusive)												
d)	Dividend Payment Date	Not applicable												
e)	Listing on Stock Exchanges and Stock Code	<table> <thead> <tr> <th>Name</th> <th>Address</th> <th>code</th> </tr> </thead> <tbody> <tr> <td>The Stock Exchange, Mumbai</td> <td>Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 023</td> <td>511401</td> </tr> <tr> <td>Madras Stock Exchange Limited</td> <td>Exchange Building PO Box No. 183 11, Second Line Beach Chennai – 600 001</td> <td>MUNOTH INV</td> </tr> <tr> <td>Ahmedabad Stock Exchange</td> <td>Kammdhenu Complex, Near Polytechnic, Ambavadi Ahmedabad- 380015</td> <td>38430</td> </tr> </tbody> </table> <p>Listing fees to all the stock exchanges for the financial year 2011-2012 has been paid.</p>	Name	Address	code	The Stock Exchange, Mumbai	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 023	511401	Madras Stock Exchange Limited	Exchange Building PO Box No. 183 11, Second Line Beach Chennai – 600 001	MUNOTH INV	Ahmedabad Stock Exchange	Kammdhenu Complex, Near Polytechnic, Ambavadi Ahmedabad- 380015	38430
Name	Address	code												
The Stock Exchange, Mumbai	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 023	511401												
Madras Stock Exchange Limited	Exchange Building PO Box No. 183 11, Second Line Beach Chennai – 600 001	MUNOTH INV												
Ahmedabad Stock Exchange	Kammdhenu Complex, Near Polytechnic, Ambavadi Ahmedabad- 380015	38430												
f)	International Securities Identification Number (ISIN)	INE410E01015 (CDSL & NSDL)												



MUNOTH COMMUNICATION LIMITED

g) Market Price data: (Bombay Stock Exchange Details)

Month	High	Low Price
10-Apr	8.42	3.74
10-May	6.98	5.52
10-Jun	7.64	6.34
10-Jul	7.6	5.55
10-Aug	7.25	5.71
10-Sep	6.85	4.6
10-Oct	6.81	4.17
10-Nov	6.86	5.92
10-Dec	6.21	4.15
11-Jan	3.95	2.92
11-Feb	3.15	2.65
11-Mar	3.15	2.79

- h) Registrar and Share Transfer Agents Cameo Corporate Services Limited
"Subramanian Building"
1, Club House Road,
Chennai – 600 002.
- i) Share Transfer System: Trading in equity shares of the Company is permitted only in dematerialized form Share Transfers in physical form are registered and returned between 15 to 30 days from the date of receipt, if documents are in order in all respects by the Share Transfer Agents of the Company and the power to approve the transfer and transmission has been delegated by the board to the Share Transfer/ Investor Grievance Committee.
- j) Dematerialisation of shares: As on 31st March 2011, 85.84 % of the total shares of the Company have been dematerialised
- k) Outstanding GDR/Warrants and Convertible bonds, conversion date and likely impact on the equity. There are no outstanding/warrants and convertible bonds as on March 31, 2011 and therefore there will be no consequential impact on equity
- l) Plant Locations: There is no plant set up for this Company
- m) Address for Correspondence: The Company Secretary,
Munoth Communication Limited,
Suite No. 48, Munoth Centre,
343, Triplicane High Road,
Chennai – 600 005.
- n) Details of use of public funds obtained in the last three years: No funds have been raised from the public in the last three years



MUNOTH COMMUNICATION LIMITED

o) Distribution of Shareholding

Shareholding of nominal value of	Shareholders		Shareholding		
	Rs. [1]	Number [2]	% to Total Nos. [3]	In Rs. [4]	% to Total Amount [5]
10-5000		2235	82.2295	3472240	3.5983
5001-10000		179	6.5857	1408060	1.4592
10001-20000		125	4.5989	1945730	2.0164
20001-30000		64	2.3546	1644230	1.7039
30001-40000		16	0.5886	547070	0.5669
40001-50000		20	0.7358	961400	0.9963
50001-100000		30	1.1037	2137550	2.2152
100000 AND ABOVE		49	1.8027	84377720	87.4434
TOTAL		2718	100.000	96494000	100.00

i) Categories of shareholders as on March 31, 2011

	CATEGORY	No. of shares held	Percentage of shareholding
A.	Promoter's holding		
1.	Promoters*		
	Indian Promoters	28,25,605	29.28
	Foreign Promoters	NIL	Nil
2.	Persons acting in concert #	NIL	NIL
	Sub- Total	28,25,605	29.28
B.	Non-Promoters Holding		
3.	Institutional Investors		
a.	Mutual Funds and UTI	25,000	0.26
b.	Banks, Financial Institutions, Insurance Companies [central/State Govt. Institutions/Non-Government Institutions]	3,00,000	3.11
c.	FII's	11,625	0.12
4.	Others		
a.	Private Corporate Bodies	6,91,102	7.16
b.	Indian Public	12,79,369	13.26
C	NRI's/OCBs	15,10,653	15.66
d	Foreign Nationals	30,00,000	31.09
	Sub- Total	68,23,795	70.72
	Grand Total	96,49,400	100.00



B. Non-Mandatory Requirements

1. Chairman of the Board:

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

2. Remuneration Committee:

The Listing agreement with the stock exchanges provides that a company may appoint a committee for recommending managerial remuneration payable to the Directors. The Company already has a remuneration committee for the said purpose. Please refer item no. 4 under the heading Mandatory requirement.

3. Shareholders Rights:

As the Company's half yearly results are published in an English Newspaper having circulation all over India and in a Tamil Newspaper widely circulated in Tamil Nadu the same are not sent to reach household of shareholders.

4. Postal Ballot:

The provisions related to Postal Ballot will be complied with in respect of matters wherever applicable.

5. Whistle Blower Policy:

Whistle Blower policy has been adopted by the Company and employees are free to raise issues, if any pertaining to the operations of the Company and report the same to the Audit Committee

On behalf of the Board of Directors

Chennai
May 14,2011

Lalchand Munoth
Chairman.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development:

The opening of the telecom sector has not only led to rapid growth in subscriber base but also helped a great deal towards maximization of consumer benefits, particularly in terms of price discovery, following the forbearance approach in tariffs. Indian telecom has become the second largest wireless network in the world. Competition in this sector is becoming intense and the industry is likely to witness the emergence of newer technologies like 3G, Mobile Number Portability (MNP) leading to further increase in the infrastructure requirements.

2. Segment Wise Performance:

The Company has launched MUNOTH brand of mobile phones in the country. Currently it has five models A9, A28, A29, A36 and S5. S5 is an application based phone meant for senior citizen. MCL has set up a website www.soshealth.co.in where in the users of S6 can store their medical data. S5 has been featured in leading newspaper/magazine and was also featured in Haward review. MCL was also appointed as distributor for G'Five mobile phones for Tamilnadu, Karnataka and Gujarat.

3. Future Plans and Outlook:

The Company will focus on application based phones in its own brand MUNOTH and continue to distribute phones of other brands. The Company expects to achieve a sales of around Rs. 40 crores in the current year of operation.



4. Financial Performance:

In the current year the Company sales is at Rs. 6.16 crores and a profit before tax of Rs. 5.76 lakhs.

5. Strength and Weakness

The market is owner driven with comparatively lesser overheads which helps in competitive pricing. Indian brands are currently targeting only mid segment users. Multinational brands still rule the expensive phones.

6. Opportunities and Threats:

The growing and huge market offers great scope to grow market share for existing Indian brands and opportunity for new brands to enter the market is more. With increase in handset penetration and users, handset service setup or tie-up will add to bottom lines of Indian brands. Open platforms like google's Android and Microsoft's and availability of 3G chipsets make it possible for Indian brands to eye top end market and increase profit margins. Multinational brands can work on price subsidy to garner lost market share and get in to very aggressive marketing to woo customers

7. Outlook, Risks and Concern:

The handset market, as of date, is flooded with over 100 Indian mobile phone brands. Indian branded phones, in lines with leading multinational brands, are all manufactured in China; have equally robust quality and are preferred over multinational brand for reasons like lower prices, dual sim card support, after sale support, quicker new models and range, better trade incentives, marketing and promotions.

The Indian brands have succeeded in garnering about 20 - 25% market share in India and is already accounting for about 3 million handset sales month on month. An INR 2500 billion market can easily accommodate may more players.

8. Human Resources/Industrial Relations:

Your Company considers its Human Resources as its most valuable asset among all their assets of the Company. It has been the policy of the company to promote the talent by providing opportunities to develop themselves within the organisation. The Company continued to maintain a cordial and harmonious relation with its employees.

9. Internal Control System and Adequacy:

Your Company lays emphasis on integrated control systems and accountability and has been maintaining adequate system in place commensurate with its size and nature of business.

10. Cautionary Statement:

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

Chennai
May, 14, 2011

By order of Board
Lalchand Munoth
Chairman



MUNOTH COMMUNICATION LIMITED

Annexure – 1

Auditors' Certificate on Corporate Governance

CERTIFICATE

To the members of Munoth Communication Limited

We have examined the compliance of the conditions of Corporate Governance by Munoth Communication Limited, for the year ended 31st March 2011 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

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

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

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

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

For KUMBHAT & Co.
Chartered Accountants

(AJIT KUMBHAT)

Partner

M.P.No. 19582

(Firm Registration No. : 00160S)

Date : May 14, 2011

Place : Chennai.

Annexure- 2

Declaration by Chief Executive Officer (CEO)

I, Jaswant Munoth, Managing Director of Munoth Communication Limited hereby declare that all the board members and senior managerial personnel have affirmed for the year ended 31 March 2011 compliance with the code of conduct of the company laid down for them.

Date : May 14, 2011

Place : Chennai.

Jaswant Munoth
Managing Director



MUNOTH COMMUNICATION LIMITED

Annexure- 3

Certificate by Chief Executive Officer (CEO)

I, Jaswant Munoth, Managing Director of Munoth Communication Limited hereby certify

1. That I have reviewed the financial statements and the cash flow statement for the year ended 31 March 2011 and that to the best of my knowledge and belief,
 - These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. That I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which I was aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
4. That I have informed the auditors and the audit committee of:
 - Significant changes in internal control during the year;
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
 - Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Date : May 14, 2011
Place : Chennai.

Jaswant Munoth
Managing Director



MUNOTH COMMUNICATION LIMITED

AUDITOR'S REPORT

To

The Member of
M/s MUNOTH COMMUNICATION LIMITED,
Chennai

We have audited the attached Balance Sheet of M/S. MUNOTH COMMUNICATION LIMITED . as at 31st March 2011 and the related Profit and Loss Account and Cash Flow Statement of the company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) order, 2003 as amended by the companies (Auditors' Report)(amendment)order,2004 issued by the Central Government of India in terms of sub-section 4A of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanation given to us during the course of the audit, we enclose in the Annexure a statement of matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company, so far as it appears from our examination of those books.
 - c) The Balance Sheet, Profit and loss Account and the Cash Flow Statement dealt with by report are in agreement with the books of accounts;
 - d) In our opinion and to the best of our information the Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report complies with the accounting standards as referred to in Section 211(3C) of the Companies Act, 1956.
 - e) On the basis of written representation received from the directors, as on 31st March 2011 and taken on record by the board of directors, we report that none of the Directors are disqualified as on March 31st, 2011 from being appointed as a director in terms of section 274(1) (g) of Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - i. In the case of the Balance sheet, of the state of affairs of the company as at 31st March, 2011; and
 - ii. In the case of Profit and Loss Account of the PROFIT for the year ended on that date.
 - iii. In the case of the Cash Flow Statement of the Cash Flow for the year ended on that date.

For **KUMBHAT & CO**
Chartered Accountants
FRN.:001609S

Ajit Kumbhat
Partner

Place : Chennai
Date : May, 14, 2011

M.No 19582



MUNOTH COMMUNICATION LIMITED

ANNEXURE REFERRED TO IN PARA 1 OF OUR REPORT OF EVEN DATE RE : MUNOTH COMMUNICATION LIMITED, CHENNAI

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets. The Fixed Assets have been physically verified by the management during the period.
- (b) According to the information and explanations given to us, Fixed Assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the available records. In our opinion the frequency of such physical verification is reasonable having regard to the size of the company and the nature of its assets. None of the Fixed Assets have been revalued during the year.
- (c.) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) (a) According to the information and explanations given to us, the stock of Inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company has maintained proper records of inventory. And also the Company has stock in trade of shares which is lying with and confirmed by the depository.
- (b) The Company has not taken during the year any loans, secured or unsecured from parties listed in the register maintained under Section 301 of the Companies Act 1956 (1 of 1956) and accordingly, paragraphs 4(iii) (f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there were adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase fixed assets and for the sale of goods and service. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and material and sale of goods, materials and services made in pursuance of contracts or arrangement required to be entered in the register maintained under section 301 of the Companies Act, 1956 (1 of 1956), aggregating during the year of Rupees Five Lakhs or more in respect of each party.
- (vi) The Company has not accepted any deposits from the public;
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business;
- (vii) Maintenance of cost records as prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 (1 of 1956) are not applicable to the company.
- (viii) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, excepting a sum of Rs.93,583/- of undisputed tax on lease rentals pertaining to 1998.
- (b) According to the information and explanations given to us, no disputed amounts payable in respect of statutory dues were outstanding as at 31st March 2011 for a period of more than six months from the date they become payable. Further, since the Central Government has not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment on the regularity or otherwise of the Company depositing the same.



MUNOTH COMMUNICATION LIMITED

- (ix) The accumulated losses as at 31.3.2011 are not in excess of 50% of the net worth. The Company has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (x) According to the records of the company examined by us and the information and explanations given by the management, the company has not defaulted in repayment of dues to banks or any financial institutions.
- (xi) The Company has not granted loans and advances on the basis of security by way of pledge of shares.
- (xii) The provision of any special statute applicable to chit fund / nidhi / mutual fund / societies are not applicable to the company.
- (xiii) The Company has maintained proper records of transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
- (xv) According to the explanations and information given to us term loans were applied for the purpose for which the loans were obtained by the Company.
- (xvi) According to the information and explanations given to us and on the overall examination of the Source and Application of the Funds of the company, we report that no funds raised on short-term basis have been used for long-term investment by the company.
- (xvii) During the year the company has not made any preferential allotment of shares.
- (xviii) The Company has not issued any debentures during the year.
- (xix) The Company has not raised any money by way of Public Issue during the year.
- (xx) During the course of our examination of the books and records of the company carried in accordance with the generally accepted auditing practices in India, and according to information and explanations given to us, we have neither come across any instance of fraud on or by the company noticed or reported during the year, nor we have been informed of such case by the management.

For **KUMBHAT & CO**
Chartered Accountants
FRN.:001609S

Ajit Kumbhat
Partner

M.No 19582

Place : Chennai
Date : May, 14, 2011



MUNOTH COMMUNICATION LIMITED

BALANCE SHEET AS ON 31.03.2011

	SCH	FIGURES AS AT	
		31.03.2011 (Rs. In 000s)	31.03.2010 (Rs. In 000s)
I. SOURCES OF FUNDS			
SHARE HOLDER'S FUNDS			
1. a) Share Capital	I	99,513.43	99,513.43
b) Reserves & Surplus	II	<u>56,104.08</u>	<u>56,104.08</u>
LOAN FUNDS :			
2. Secured loans	III	26,412.00	333.87
Total		<u>182,029.51</u>	<u>155,951.38</u>
II. APPLICATION OF FUNDS :			
1. FIXED ASSETS :			
a) Gross Block		26,731.43	14,771.55
b) Less : Accumulated depreciation	IV	<u>9,112.90</u>	<u>7,882</u>
c) Net Block		17,618.53	6,889.55
2. INVESTMENTS :	V	44,634.36	46,645.07
3. CURRENT ASSETS, LOANS & ADVANCES:			
(i) Stock in Trade	VI	41,780.87	11,177.96
(iii) Sundry Debtors	VII	3,293.21	1,943.64
(v) Cash & Bank Balances	VIII	233.54	27,689.58
(vi) Other Current Assets	X	<u>16,085.35</u>	<u>814.67</u>
		61,392.97	41,625.85
b) LOANS & ADVANCES:	X	<u>20,355.69</u>	<u>18,455.29</u>
	(A)	<u>81,748.66</u>	<u>60,081.14</u>
Less : Current Liabilities & Provisions:			
a) Liabilities	XI	2,589.84	573.86
b) Provisions	XII	<u>1,100.00</u>	<u>570.71</u>
	(B)	3,689.84	1,144.57
Net Current Assets	(A - B)	78,058.82	58,936.56
4. DEFERRED TAX ASSET	XIII	4,671.63	5,072.45
5 a) Miscellaneous Expenditure (To the extent not written off or adjusted)	XIV	2,086.00	2,781.91
b) Profit & Loss Account	XV	33,978.67	34,153.76
c) Deferred Revenue Expenditure	XVI	<u>981.33</u>	<u>1,472.08</u>
Total		<u>182,029.34</u>	<u>155,951.38</u>
Accounting Policies & Notes on Accounts.	XVII		

SCHEDULES I TO XVI AND XVII (NOTES ON ACCOUNTS) FROM PART OF THIS BALANCE SHEET.

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

For **KUMBHAT & CO.**,
Chartered Accountants
Firm Registration No. : 00160S

LALCHAND MUNOTH
Chairman

JASWANT MUNOTH
Managing Director

(AJIT KUMBHAT)

Partner
M.No.19582

Place : CHENNAI
Dated : 14-05-2011

BHARAT MUNOTH
Director
- 22 -



MUNOTH COMMUNICATION LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	SCH	FIGURES AS AT	
		31.03.2011 (Rs. In 000s)	31.03.2010 (Rs. In 000s)
Sales	1	61683.55	5641.27
Interest Income	2	452.94	2,427.47
Dividend		248.97	127.68
Other Income	3	2,112.22	6,899.03
increase in share trading stock		5,844.60	(5,969.57)
TOTAL (A)		70,342.28	9,125.88
EXPENDITURE:			
Cost of Goods Sold	4	58,418.49	-
Interest & Financial Charges	5	684.18	1,215.52
Director's Remuneration	6	1,500.00	1,500.00
Salaries & Amenities to staff	7	3,200.53	1,437.69
Other Expenses	8	4,690.44	1,982.35
Donation		-	300.00
TOTAL (B)		68,493.63	6,435.56
Profit/(loss) before Deprecitation and Tax (A - B)		1,848.65	2,690.32
Less: Depreciation	IV	1,272.75	953.00
Profit / (Loss) before Tax		575.90	1,737.32
Less: Provision for Tax			78.91
Profit/(loss) after Tax		575.90	1,658.41
Less: Deferred Tax Adjustment for the year	XIII	400.82	659.17
Current year profit		175.09	999.24
Loss brought forward		34,153.76	35,153.00
Loss to be carried forward to B/S		(33,978.67)	(34,153.76)
EPS in Rupees		0.02	0.10
Face Value of Share in Rupees		10.00	10.00
Accounting Policies & Notes on Accounts.XVII			

SCHEDULES 1 TO 8 AND IV & XIII, XVII (NOTES ON ACCOUNTS) FROM PART OF THIS PROFIT & LOSS A/C.
"This is the Profit and Loss a/c referred to in our report of even date."

For **KUMBHAT & CO.**,
Chartered Accountants
Firm Registration No. : 00160S

LALCHAND MUNOTH
Chairman

JASWANT MUNOTH
Managing Director

(AJIT KUMBHAT)

Partner
M.No.19582

Place : CHENNAI
Dated : 14-05-2011

BHARAT MUNOTH
Director

**MUNOTH COMMUNICATION LIMITED****SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR THE YEAR ENDED 31.03.2011**

	31.03.2011 (Rs. In 000s)	31.03.2010 (Rs. In 000s)
SCHEDULE 'A' SHARE CAPITAL		
Authorised Share Capital		
1,20,00,000 Equity Shares of Rs.10/- each (Previous year: 1,20,00,000 Equity Shares of Rs.10/- each)	<u>120,000.00</u>	<u>120,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
96,49,400 Equity Share of Rs.10/- each	96,494.00	96,494.00
Add: Share Forfeiture Account	3,019.43	3,019.43
(Previous year: 96.49,400 Equity Shares of Rs.10/- each)	<u>99,513.43</u>	<u>99,513.43</u>
	<u>99,513.43</u>	<u>99,513.43</u>
 SCHEDULE II		
RESERVES AND SURPLUS		
Securities Premium A/c	<u>56,104.08</u>	<u>56,104.08</u>
 SCHEDULE III		
SECURED LOANS		
Kotak Mahindra Prime Ltd (Secured against Car)	89.03	333.87
BMW FINANCIAL SERVICES LIMITED (Secured against Car)	1669.41	-
WORKING CAPITAL LOANS		
Overdraft facility from:		
- INDIAN BANK (Secured against property)	24653.56	-
TOTAL	<u>26,412.00</u>	<u>333.87</u>



(Rs. In 000s)

SCHEDULE - 4 FIXED ASSETS

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	DEP %	AS ON 01/04/2010	ADDITION	DELETION	AS ON 31/03/2011	AS ON 01/04/2010	DELETION/ ADJUST	FOR THE YEAR	AS ON 31/03/2011	AS ON 31/03/2010	AS ON 31/03/2010
Land	-	2,140.00	-	-	2,140.00	-	-	-	-	2,140.00	2,140.00
Building	5%	2,548.00	3,888.40	-	6,436.40	1,167.65	-	107.02	1,274.67	5,161.73	1,380.35
Plant & Machinery	13.91%	1,598.80	101.56	-	1,700.36	1,074.99	-	77.86	1,152.85	547.51	523.81
Furniture & Fittings	18.10%	4,299.25	416.42	-	4,715.67	2,637.69	-	310.74	2,948.43	1,767.24	1,661.56
Vehicles Cars & Bikes	25.89%	2,201.00	2,579.51	49.50	4,731.01	1,078.23	41.85	662.70	1,699.08	3,031.93	1,122.77
Software	40%	205.00	37.96	-	242.96	185.80	-	13.68	199.48	43.48	19.20
Computers	40%	1,779.50	499.45	-	2,278.95	1,737.64	-	100.74	1,838.38	440.57	41.86
Senior Citizen Mobile software (Under Development)	0%	-	4,486.08	-	4,486.08	-	-	-	-	4,486.08	-
TOTAL		14,771.55	12,009.38	49.50	26,731.43	7,882.00	41.85	1,272.75	9,112.90	17,618.53	6,889.55
Previous Year Figures		15837	627.55	1693	14771.55	7271	342	953	7882	6889.55	8566.01

**MUNOTH COMMUNICATION LIMITED****SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31,2011 (Contd..)**

		31.03.2011 (Rs. In 000s)		31.03.2010 (Rs. In 000s)
SCHEDULE - V				
INVESTMENTS (AT COST)				
LONG TERM INVESTMENTS				
NON - TRADE				
In Equity shares of Indian Companies				
A) company under the same management				
	Quantity	(Rs. In '000s)	Quantity	(Rs. In '000s)
Munoth Financial Services Ltd - Quoted (Market value Rs.112.35 Lacs PY Rs.180.62 Lacs)	1,806,200	18,227.29	1,806,200	18,227.00
Munoth Neg Wind Farm Ltd - unquoted	82,800	687.07	89,300	687.07
Munoth Industries Ltd-unquoted	220,800	1,525.00	220,800	1,525.00
B) Others				
	Quantity	(Rs. In '000s)	Quantity	(Rs. In '000s)
(i) Quoted				
(a)E-Metals India Ltd.(Formerly known as Daudayal Finvest limited)	28000	1,035.00	28,000	1,035.00
Less:Provision for contingencies		<u>777.00</u>		<u>777.00</u>
		258.00		258.00
(b) Others		17,687.00		19,698.00
(ii) Unquoted				
Investments in others				
Tatia stocks and options ltd.	345,400	5,270.00	345,400	5,270.00
Less:Provision for contingencies		<u>2,070.00</u>		<u>2,070.00</u>
		3,200.00		3,200.00
Perfect stones ltd.	230,000	2,300.00	230,000	2,300.00
India Mobile Network Pvt Ltd	75,000	750.00	75,000	750.00
TOTAL		<u>44,634.36</u>		<u>46,645.07</u>



MUNOTH COMMUNICATION LIMITED

INVESTMENTS

-Quoted

others

Investments- quoted-others

	Quantity	Face value (Rs.)	Cost (000s)	Rate (Rs.)	Market Value (000s)
Colgate Palmolive	100.00	1	0.25	814.80	0.81
Computer Power (I) Ltd	800,000.00	1	8.00	0.25	2.00
DLF Limited	2,000.00	2	5.01	267.20	5.34
EBF Finance LTd	6,600.00	10	3.17	12.00	0.79
Elforge Ltd	700.00	10	0.07	22.90	0.16
Grandlease florex LTd	11,000.00	10	1.10		-
Gujaratinject LTd	400.00	10	0.04		-
Jaiprakash industries LTd	125.00	10	0.19	149.65	0.19
Kirloskar brothers Ltd	20.00	10	0.06	133.00	0.03
Life line inject LTd	400.00	10	0.04		-
Phoneix international Ltd	500.00	10	0.05	14.05	0.07
Rajnarayan Financial Services Ltd	135,300.00	10	25.20	-	
Rane brake linings Ltd	100.00	10	0.18	101.55	0.10
Reliance Capital Limited	1,750.00	10	10.10	581.35	10.17
Reliance Communication Limited	2,500.00	5	5.35	107.70	2.69
Reliance infrastructure limited	1,750.00	10	11.79	689.95	12.07
Reliance Industries Limited	4,000.00	10	53.98	1,047.80	41.91
Reliance power Limited	4,250.00	5	23.43	130.40	5.54
LARSEN & TOUBRO	100.00		2.18	-	
Suzlon Energy Limited	11,000.00	2	17.94	49.25	5.42
sofcom system limited	55,000.00	10	5.50	32.40	17.82
Talavadi Rocks & Minerals LTd	4,000.00	10	0.40	2.00	0.08
Vijaykumar Mills Ltd	50.00	10	0.02	45.50	0.02
Vsm Finance & Investments LTd	1,900.00	10	0.19	2.50	0.05
Unitech Limited	6,000.00	2	2.63	40.45	2.43
	<u>1,049,545.00</u>		<u>176.87</u>		<u>107.71</u>

**MUNOTH COMMUNICATION LIMITED****SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31,2011 (Contd..)**

	31.03.2011 (Rs. In 000s)	31.03.2010 (Rs. In 000s)
<u>SCHEDULE - VI</u>		
<u>STOCK - IN -TRADE</u>		
(Valued at Cost or Market Price which ever is lower and as certified by the Management)		
Stock in trade of Shares & Debentures	17,022.56	11,177.96
Please refer para B - 9 of Schedule 27 i.e, Notes on Accounts, for details of Shares and Debentures held)		
STOCK OF MOBILE PHONES	<u>24,758.31</u>	-
	<u>41,780.87</u>	<u>11,177.96</u>
<u>SCHEDULE - VII</u>		
<u>SUNDRY DEBTORS</u>		
Unsecured considered good:		
Outstanding for a period not exceeding 6 months	3293.21	1,943.64
Unsecured considered doubtful:		
Outstanding for a period exceeding 6 months	6052.63	6,052.63
Less: Provision for doubtful debts	6052.63	0.00
	<u>3,293.21</u>	<u>1,943.64</u>
<u>SCHEDULE - VIII</u>		
<u>CASH AND BANK BALANCES</u>		
Cash on hand	45.46	544.25
Balances with scheduled Banks		
- in current accounts	138.09	7,089.79
- in Fixed Deposit account	50.00	20,050.00
Deposits in Reliance Liquidfund units		5.54
	<u>233.54</u>	<u>27,689.58</u>
<u>SCHEDULE - IX</u>		
<u>OTHER CURRENT ASSETS</u>		
Income tax deposit	607.55	607.55
Prepaid Expenses	91.55	-
Accrued interest on Fixed deposits	32.00	32.00
Telephone Deposit	149.62	149.62
Rent Deposit	9.05	
Deposit-King Tech Electronics(India) Pvt Ltd	15,000.00	
Sales Tax Deposits	85.50	25.50
STAFF ADVANCES	<u>110.08</u>	-
	<u>16,085.35</u>	<u>814.67</u>

**MUNOTH COMMUNICATION LIMITED****SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31,2011 (Contd..)**

	31.03.2011 (Rs. In 000s)	31.03.2010 (Rs. In 000s)
SCHEDULE - X		
LOANS AND ADVANCES		
LOANS		
(I) Unsecured and considered good (For which the company holds no security other than the debtors personal security)		
- Exceeding a period of six months	1,070.00	1,070.00
- Less than six months	-	80.00
ADVANCES		
Advance Payment of Taxes (including TDS Rs.3.58 lacs)	6,136.08	6,118.51
Advance recoverable in cash or in kind or for value to be received	12,304.61	11,186.78
Debts due by directors		
- Exceeding a period of six months	345.00	-
Debts due by private companies under the same management		
- Less than six months	500.00	-
TOTAL	20,355.69	18,455.29
CURRENT LIABILITIES AND PROVISIONS		
SCHEDULE - XI		
CURRENT LIABILITIES		
Sundry Creditors		
- For expenses	550.33	339.76
Other liabilities	1,909.91	104.50
Rental deposit	129.60	129.60
	2,589.84	573.86
SCHEDULE - XII		
PROVISION FOR		
Taxation	-	78.91
Gratuity	1,100.00	491.80
	1,100.00	570.71
SCHEDULE - XIII		
DEFERRED TAX ASSET		
Opening balance of Deferred Tax Asset	5072.45	5,731.62
Transferred from credit balance in Profit & Loss Account		
Less: Deferred Tax Liability Adjustment for the year	400.82	659.17
	4,671.63	5,072.45



MUNOTH COMMUNICATION LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31,2011 (Contd..)

	31.03.2011 (Rs. In 000s)	31.03.2010 (Rs. In 000s)
<u>SCHEDULE - XIV</u>		
<u>MISCELLANEOUS EXPENDITURE</u>		
(To the extent not written off or adjusted)		
Preliminary expenses		
Balance as per last balance sheet	2781.00	3,476.00
Less: Written off during the year	695.00	695.00
Balance carried forward	<u>2,086.00</u>	<u>2,781.00</u>
<u>SCHEDULE - XV</u>		
<u>DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT:</u>		
Balance as per last Balance Sheet	34153.76	35,153.00
Add: Profit/Loss for the year	175.09	999.24
Balance carried forward	<u>33,978.67</u>	<u>34,153.76</u>
<u>SCHEDULE - XVI</u>		
<u>BRAND BUILDING EXPENDITURE:</u>		
Brand Building Expenditure	1,472.00	1,472.00
Less: Amortisation(1st Year)	490.67	-
Add : For the period	-	-
	<u>981.33</u>	<u>1,472.00</u>

**MUNOTH COMMUNICATION LIMITED****SCHEDULES FORMING PART OF PROFIT AND LOSS A/C**

	31.03.2011 (Rs. In 000s)	31.03.2010 (Rs. In 000s)
SCHEDULE - 1		
SALES		
Sales Of Mobiles	61,216.55	-
Sale of shares	467.00	5,641.27
	<u>61,683.55</u>	<u>5,641.27</u>
SCHEDULE - 2		
INTEREST INCOME		
Interest receipts form Banks(TDS Rs. 84825 PY Rs.)	452.94	2,427.47
	<u>452.94</u>	<u>2,427.47</u>
SCHEDULE - 3		
OTHER INCOME		
Discount Received	793.75	-
Rent Receipt	111.97	223.95
commission recd(TDS Rs. nil PY Rs.nil)	69.32	-
Lease rentals(TDS Rs. nil PY Rs.nil)	7.20	7.20
profit on sale of fixed assets	5.14	6,330.18
Diff. In foreign exchange	64.67	
Profit on Sale of Investments	729.92	337.70
bad debts recovered	100.00	-
sundry income	230.25	-
	<u>2,112.22</u>	<u>6,899.03</u>
SCHEDULE - 4		
Opening Stock	-	-
Add: Purchases	82,750.95	-
Carriage Inward	135.72	-
Clearing & Forwarding Charges	126.31	-
Customs Duty	81.51	-
INSPECTION CHARGES	69.31	-
LC / TT CHARGES	13.00	-
Less: Closing Stock	24,758.31	-
Cost of Good Sold	<u>58,418.49</u>	<u> </u>
SCHEDULE - 5		
INTEREST AND FINANCE CHARGES		
Interest Payments		
- on working capital	533.02	1,215.52
Bank Charges	151.16	-
	<u>684.18</u>	<u>1,215.52</u>

**MUNOTH COMMUNICATION LIMITED****SCHEDULES FORMING PART OF PROFIT AND LOSS A/C (Contd.,)**

	31.03.2011 (Rs. In 000s)	31.03.2010 (Rs. In 000s)
<u>SCHEDULE - 6</u>		
<u>DIRECTORS REMUNERATION</u>		
Managing Director's salary	1,500.00	1,500.00
	<u>1,500.00</u>	<u>1,500.00</u>
<u>SCHEDULE - 7</u>		
<u>SALARIES AND AMENITIES TO STAFF</u>		
Salaries, Wages and Bonus	2,473.15	1,387.92
Contribution to Provident Fund	76.84	36.05
Provision for Gratuity	608.19	-
Staff Welfare Expenses	26.80	13.72
Ex - gratia	15.55	-
	<u>3,200.53</u>	<u>1,437.69</u>
<u>SCHEDULE - 8</u>		
<u>OTHER EXPENSES</u>		
Directors Travelling Expenses	141.65	61.64
Travelling and conveyance	417.03	24.90
Repairs and maintenance		
- Building	239.20	97.74
- Vehicle	182.05	94.89
Printing and stationery	137.95	44.19
Telephone charges	225.69	141.74
Electricity charges	168.24	162.71
Insurance premium	190.93	39.98
Professional and Consultancy charges	38.09	100.41
Audit fees	79.68	120.25
Listing fees	83.43	87.07
Taxes & Licence	33.55	5.40
Rent	96.40	
sales promotion	347.61	
Preliminary expenses written off	695.00	695.00
Brand Building Expenses - Amortisation	490.67	-
Other expenses	1,123.27	253.43
Sitting Fees	-	53.00
	<u>4,690.44</u>	<u>1,982.35</u>



SCHEDULE XVII

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2011.

A. SIGNIFICANT ACCOUNTING POLICIES :

1. BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting as a going concern with revenues recognized and provision made for all known and ascertained liabilities and losses to comply in all material respects with the applicable accounting principles in India, the applicable Accounting Standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. REVENUE RECOGNITION:

Revenue from Sales of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and are recorded net of trade discounts, rebates, sales tax, VAT and excise duties.

Lease income is recognized on accrual basis.

Dividend income is accounted for in the year in which the right to receive the same is established.

Interest on investments is booked on a time-proportion basis taking into account the amounts invested and the rate of interest.

3. FIXED ASSETS:

Fixed Assets are stated at Cost less accumulated depreciation and impairment losses if any . Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible Assets:

Intangible assets consisting of software under development, for senior citizen mobiles, are stated at cost less accumulated amortisation. The company proposes to amortise this over the period of three years.

4. DEPRECIATION :

(i) Depreciation on owned assets is provided on Written down value method at the rates based on the estimated useful life of the assets estimated by management which is in accordance with the rates and also in the manner specified in Schedule XIV to the Companies Act, 1956, under the W.D.V. Method.

(ii) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with respect to date of acquisition /disposal.

5. INVESTMENTS :

The Management has classified the Investment made in shares for more than a year as shown in Schedule-V as long term investments and the investment are stated at Cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

6. VALUATION OF INVENTORIES :

(i) Mobile Phones

Stocks of mobile phones are valued at lower of cost and net realizable value.



- (ii) Shares & Debentures :

Share and Securities which are quoted are valued at lower of cost and market value .

7. DEFERRED REVENUE EXPENDITURE

Costs incurred for brand building are recognized as intangible assets and amortised on a straight line basis over a period of three years.

8. RETIREMENT AND OTHER BENEFITS TO THE EMPLOYEES :

- a) Gratuity :

The Company has provided for gratuity during the year.

- b) Leave Salary :

In respect of Leave Salary, the company as such do not have any scheme and the same will be accounted for as and when the liability for the same is admitted.

- c) Provident Fund :

Though the employees Provident Fund & Miscellaneous Provisions Act, 1952 is not applicable to the company, the company has complied with the provisions voluntarily.

9. SEGMENT REPORTING (AS – 17)

- (a) Segment accounting policies

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- (i) Segment revenue includes sales and other income directly identifiable with/allocable to the segment.
- (ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the Segment Result. Expenses which relate to the Company as a whole and not allocable to segments are included under “Unallocable Corporate Expenditure”.
- (iii) Income which relates to the Company as a whole and not allocable to segments is included in “Unallocable Corporate Income”.
- (iv) Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.
- (v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

10. CONSOLIDATED FINANCIAL STATEMENTS : (AS – 21)

As the Company has no subsidiary the question of preparation of Consolidated Financial Statements does not arise. Accordingly there is nothing to report with respect to AS-21 relating to Consolidated Financial Statements.

11. TAXES ON INCOME : (AS-22)

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax liability is provided and recognized on timing differences between taxable income and accounting income subject to the consideration of prudence.

Deferred tax assets are not recognized unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets. The Company has complied with the



MUNOTH COMMUNICATION LIMITED

Accounting Standard of Taxes on Income issued under provisions of companies act,1956 and appropriate adjustment have been made in the books of accounts.

12. CASH FLOW STATEMENT:(AS-3)

Cash flows are reported using indirect method ,whereby profit before tax is adjusted for the effects transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments .The cash flow from regular revenue generating, financing and investing activities of the company are segregated.

13. FOREIGN CURRENCY TRANSLATION:

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of fluctuations in the exchange rates are recognized in the Profit and Loss at the year end rates in the period in which they arise.

B. NOTES ON ACCOUNTS :

- 1) The balances in parties' accounts are subject to confirmation and reconciliation except in some cases. In the opinion of the Management, the Current Assets, Loans & Advances would realise atleast to the extent stated in the Balance Sheet.

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small & Medium Enterprises Development Act 2006.Based on information and evidence available with the company, there are no dues to Micro & Small enterprises outstanding as on 31.03.11

- 2) Segment Reporting

Information about Business Segments (Information provided in respect of revenue items for the year ended March 31, 2011)

i) Primary Segments (Business Segments): (Amount in '000s)

Particulars	Mobile	Shares	Total
Revenue	62,144.29	11,708.67	73,852.96
Others			
Total Revenue	62,144.29	11,708.67	73,852.96
Segment Result	525.28	6,823.09	7,348.37
Unallocated Corporate Income/(Ependiture)(net)			(6,891.32)
Operating Profit(PBIT)			457.05
Interest Expenses			(684.18)
Interest Income			452.94
Profit Before Tax(PBT)			225.81
Provision for current tax			0
Provision for Deffered tax			(400.82)
Profit after Tax			(175.00)
Other Information			
Segment Assets	124,062.27	61,657.09	185,719.36
Unallocable Corporate Assets	-	-	-
Total Assets	124,062.27	61,657.09	185,719.36
Segment Liabilities	185,719.35		85,719.35
Unallocable Corporate Liabilities	-	-	-
Total Liabilities	185,719.35	-	185,719.35

**MUNOTH COMMUNICATION LIMITED**

7) Quantitative particulars in respect of goods traded:

Sl.no	Particulars	2010-11 Units in nos.	2009-10 Units in nos.
1	Mobile Phone	-	-
	a. Opening Stock	-	-
	b. Add: Purchased	43631	-
	c. Less: Sold	30000	-
	d. Closing Stock	13631	-
2	Accessories and Parts there of	-	-
	a. Opening Stock	-	-
	b. Add: Purchased	2000	-
	c. Less: Sold	0	-
	d. Closing Stock	2000	-

8) RELATED PARTY DISCLOSURE

i) Related Parties

a) Mr. Jaswant Munoth – Managing director – Key Management personnel

Nature of transaction	2010-11 Amount Rs. in '000s	2009-10 Amount Rs. in '000s
Salary	Rs.1500/-	Rs.1500/-

9) EARNINGS PER SHARE (AS – 20) (In '000s)

Particulars	31.03.2011	31.03.2010
Net profit after tax	175.09	999.24
No of equity shares	96,49,400	96,49,400
Basic E.P.S.	0.02	0.10
Face value(Rs.)	10	10

10) Previous year's figures have been regrouped and rearranged wherever necessary to confirm to current years classification.

(signatures to Schedules)

As per our Report of Date

For **KUMBHAT & CO.**,
Chartered Accountants
Firm Registration No. : 00160S**(AJIT KUMBHAT)**

Partner

M.No.19582

Place : CHENNAI

Dated : 14-05-2011

LALCHAND MUNOTH
Chairman**JASWANT MUNOTH**
Managing Director**BHARAT MUNOTH**
Director



MUNOTH COMMUNICATION LIMITED

SCHEDULE - 6

DETAILS OF CLOSING STOCK OF SHARES/DEBENTURES:-

Stock of Shares:

<u>Name of The Company:</u>	<u>QTY</u>	<u>Face Value</u>	<u>Amount</u>
AMBUJA FOODS LTD	100	10	200.00
AMETHI TEXTILES LTD	100	10	500.00
APPOLO TUBES LTD	70,000	10	140,000.00
ARIHANT COSTYN LTD	100	10	40.00
ARVIND REMEDIES LTD	7,000	1	12,800.00
ASIAN TRACTORS LTD	100	10	1,000.00
AURANGABAD PAPER LTD	100	10	371.00
AVON INDUSTRIES LTD	100	10	200.00
AXEL POLYMERS LIMITED	500	10	2,435.00
BENARAS STATE BANK LTD	97,800	50	4,890,000.00
BENARAS STATE BANK LTD	50,000	10	500,000.00
BHARAT TEXTILES & PROOFING IND LTD	6,200	10	5,580.00
BHIWANI DENIM LTD	100	10	195.00
BLUE BLEND PETRO	250	10	325.00
BTW INDUSTRIES LTD	100	10	100.00
CAPLIN POINT LABORA LTD	1,700	10	13,532.00
CETHAR INDUSTRIES LTD	30,000	10	22,500.00
COMPUTER POWER INDIA LIMITED	493,500	1	246,750.00
CORAMANDEL GRANITES	29,200	10	87,600.00
DECAN GRANITES LTD	100	10	155.00
DELIGHT HAND PAL LTD	3,200	10	20,000.00
DEVE SUGARS LTD	6,200	10	1.00
FLAWLESS DIAMONDS LTD	100	10	287.00
GUJARAT AMBUJA COTSPYN	100	10	625.00
GUJARAT AMBUJA PROTEINS	10	10	120.00
GUJARAT TELE CABLES	50	10	500.00
HYTAISUN MAGNETICS LTD	100	10	120.00
INDIA CASTOR LTD	3,300	10	31,350.00
INDO FRENCH BIO ENT LTD	500	10	300.00
INDO GERMA PROD LTD	17,600	10	54,560.00
INDO MAXWELL LTD	100	10	80.00
INTERNET MEDIA LTD	1,400	10	6,300.00
JAIN GRANITES & PRO INDIA LTD	37,300	10	67,140.00
JAMSHEDPUR METAL TR LTD	1,800	10	6,300.00
JASWAL GRANITES LTD	200	10	1,400.00
KESHARIYA SPINNERS LTD	5,300	10	18,550.00
C/D	<u>864,310</u>		<u>6,131,916.00</u>



MUNOTH COMMUNICATION LIMITED

Name of The Company:	QTY	Face Value	Amount
	B/D	864,310	6,131,916.00
KOTHARI SECURITIES LTD	200,000	10	1.00
LASER DIAMONDS LTD	9,500	10	9,500.00
LEENA TEXTILES LTD	3,500	10	8,400.00
MANGUL KNITS LTD	10,600	10	106,000.00
NEO INTEX MILLS LTD	1,400	10	3,150.00
NEPC TEXTILES LTD	700	10	700.00
NUTECH FINANCIAL SERVICES LTD	90,000	10	427,500.00
ORIENT ORGANICS LTD	1,700	10	5,100.00
ORIND EXPORTS LTD	3,300	10	6,831.00
PENTAFOUR PRODUCTS L	23,500	10	27,025.00
PRAVEEN PROPERTIES LTD(PARTLYPAID)	178,500	10	1.00
PRUDENTIAL MOULI SUGARS LTD	200	10	2,000.00
RAMKISH TYRES LTD	100	10	210.00
RAVE GLOBALS LTD	495,000	10	990,000.00
SI PROPERTIES LTD	1,500	10	2,775.00
SISCO	1,000	10	23,310.00
SOFCOM SYSTEMS LTD	292,500	10	3,972,150.00
SRI VANI SUGARS & CHEM LTD	1,100	10	2,035.00
STAN PACKS	5,000	10	31,500.00
TALAWADI ROCKS & MINER PRO LTD	10,000	10	1.00
TATIA STOCKS & OPTIONS L	274,600	10	2,196,800.00
U B PETRO PROD LTD	100	10	483.00
U T I MASTER GAIN 92	50	10	650.00
USHA INDIA LTD(USHARECTIFIER)	100	10	600.00
VEEJAY LAKSHMI ENGG WORKS LTD	1,400	10	100,800.00
VINSARI Fruitech ltd	48,800	10	488,000.00
WHITE HOUSE COTTON INDL LTD	4,000	10	19,400.00
CEAT FINANCIAL SERVICES LTD	11,050	10	23,757.50
CHANDRA PRABHU HOUSING LTD	71,500	10	1.00
EXCEL FINANCE LTD	13,500	10	1.00
INNOVATION SECURITIES LTD	5,500	10	30,525.00
MERCANTILE CREDIT CORPN LTD	50	10	1.00
OLYMPIA CAPITALS & MANAGEMENT LTD	4,300	10	5,590.00
SANMAC MOTOR FINANCE	2,900	10	1.00
SHASUN FINANCE LTD	1,000	10	3,650.00
VERTEX SECURITIES	800,000	3	2,400,000.00
TOTAL (A)	3,432,260		17,020,364.50
Debentures			
DEEPAK FERTILISERS & CHEM LTD	50	10	692.50
TATA ELEXI LTD	50	10	1,500.00
TOTAL (B)	100		2,192.50
GRAND TOTAL (A+B)			17,022,557.00

**MUNOTH COMMUNICATION LIMITED****CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET PURSUANT TO CLAUSE 32
OF THE LISTING AGREEMENT****(Rs.)**

	As on 31.03.11	As on 31.03.10
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit or Loss as per P&L a/c	575.90	1,737.32
Adjustment for -		
- Depreciation	1,272.75	953.00
- Profit on sale of Investments	(729.92)	(337.70)
- Profit on sale of Fixed Assets	(5.14)	(6,330.18)
- Dividend Income	(248.97)	(127.68)
- Brand Building Expenses - Amortisation	490.67	-
- Preliminary Expenses w/off	<u>695.00</u>	<u>695.00</u>
	1,474.38	(5,147.56)
	2,050.28	(3,410.24)
Operating Profit Before Working Capital Changes		
CHANGES IN WORKING CAPITAL:		
Decrease/(Increase) in Stock-in-Trade	(30,602.91)	(88.96)
Decrease/(Increase) Loans & Advances	(1,900.40)	10,552.71
Decrease/(Increase) Other Current Assets	(15,270.68)	(28.67)
Decrease/(Increase) in Sundry Debtors	(1,349.57)	(1,943.64)
(Decrease)/Increase in Current Liabilities	<u>2,545.27</u>	<u>217.57</u>
OPERATING PROFIT	(44,528.00)	5,298.77
Less: Income Tax & F.B.T Paid	-	-
CASH FLOW FROM OPERATING ACTIVITIES	(44,528.00)	5,298.77
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Asset	12.00	1,249.69
Purchase of fixed asset	(12,009.38)	(627.55)
(Increase)/decrease of investment	2,010.71	11,065.93
Dividend Income	248.97	127.68
Profit on sale of Investments	729.92	337.70
Brand Building Expenditure	<u>-</u>	<u>(1,472.08)</u>
	(9,007.77)	10,681.37



MUNOTH COMMUNICATION LIMITED

C. CASH FLOW FROM FINANCING ACTIVITIES:

Increase/(Decrease)in Secured Loans	<u>26,078.13</u>		<u>(15,326.13)</u>	
NET CASH USED IN FINANCIAL ACTIVITIES		26,078.13		(15,326.13)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCE (A+B+C)		(27,457.64)		654.01
Opening Cash & Bank Balance	27,689.58		20,681.00	
Closing Cash & Bank Balance	<u>233.54</u>	27,456.04	<u>27,689.58</u>	(7,008.58)
		-1.60		-6,354.57

For **KUMBHAT & CO.**,
Chartered Accountants
(AJIT KUMBHAT)
Partner
M.No.19582
Place : CHENNAI
Dated : 14-05-2010

LALCHAND MUNOTH
Chairman

JASWANT MUNOTH
Managing Director

BHARAT MUNOTH
Director

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statement of M/s. Munoth Communication Limited for the year ended 31st March 2011 which is based on and in agreement with the audited accounts for the relevant financial year. According to the information and explanation given to us, the aforesaid Cash Flow Statement, prepared by the company, is in accordance with the requirements of Clause 32 of the Listing agreement with the Stock-Exchanges.

Place : Chennai
Date : 14.05.2010

For **KUMBHAT & CO.**,
Chartered Accountants
(AJIT KUMBHAT)
Partner
M. No.19582



MUNOTH COMMUNICATION LIMITED

INFORMATION REQUIRED AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956, BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	Registration	Registration No.	State Code
		10816	18
		Balance Sheet Date	
		31.03.2011	
II	Capital Raised During the Year (Amount in Rs. Thousands)	Public Issue	Rights Issue
		-	-
		Bonus Issue	Private Placement
		-	-
III	Position of Mobilisation & Deployment of Funds (Amount in Thousands)	Total Liabilities	Total Assets
		182,030	182,030
		Paid-up Capital	Reserves & Surplus
		99,513	56,104
		Secured Loan	Un Secured Loan
		26,412	-
		Deferred Tax Liability	
		-	
		Net Fixed Assets	Investment
		17,619	44,634
		Deferred Tax Asset	
		-	
		Net Current Assets	Misc. Expenditure
		78,059	2,086
		Accumulated Losses	
		33,979	
IV	Performance of Company (Amount in Rs. Thousands)	Turnover	Total Expenditure
		70,342	69,766
		+Profit(Loss) Before Tax	+Profit(Loss) After Tax
		576	175
		Earnings per share in Rs	Dividend Rate %
		0.02	-
V	Generic Name of three Principal Products/ Services of Company(as per Item Code No). Item Code No. (ITC Code) Product Description		NOT APPLICABLE

MUNOTH COMMUNICATION LIMITED

Regd. Off. : 3rd Floor, 343, Triplicane High Road, Triplicane, Chennai 600 005

PROXY FORM

Reg. Folio No. No. of Shares

I/Weof

In the district of being a member/members.....

of the above name Company hereby appoint of

in the district of or failing him

..... of in the district of

..... as my/our proxy to vote for me/us on my/our behalf at the Twenty Seventh Annual

General Meeting of the Company to be held on Tuesday 23rd August, 2011, at 10.15 A.M. at Nahar

Hall, South India Hire Purchase Association, Desabandhu, 1st Floor, 47, Whites Road, Royapettah,

Chennai - 600 014. any adjournment thereof.

Signed this day of 2011.

Signature



Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

----- T E A R H E R E -----

MUNOTH COMMUNICATION LIMITED

Regd. Off. : 3rd Floor, 343, Triplicane High Road, Triplicane, Chennai 600 005

**ATTENDANCE SLIP
27TH ANNUAL GENERAL MEETING**

Reg. Folio No. No. of Shares

I certify that I am the registered share holder/Proxy for the registered shareholder of the Company.

I hereby record my presence at the Twenty Seventh Annual General meeting of the Company held on

Tuesday 23rd August, 2011, at 10.15 A.M. at Nahar Hall, South India Hire Purchase Association,

Desabandhu, 1st Floor, 47, Whites Road, Royapettah, Chennai - 600 014.

Members / Proxy's Name in Block Letters

Member's / Proxy Signature

Address :

- Note
- 1. Only members or their proxies are allowed to attend the meeting. Members are requested to produce the above attendance slip duly filled in and signed in accordance with their specimen signature registered with Company for admission to the meeting hall.
 - 2. Members/Proxy holders, desiring to attend the meeting should bring their copy of the Annual Report for reference at the Meeting.
 - 3. No Gifts will be distributed at the Annual General Meeting.