



MUNOTH COMMUNICATION LIMITED

BOARD OF DIRECTORS

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

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	5
Report on Corporate Governance	7
Management Discussion and Analysis Report	15
Auditor's Report	19
Balance Sheet	22
Statement of Profit & Loss	23
Notes to Financial Statement	26
Cash Flow Statement	40



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 Eighth Annual General Meeting of the Company will be held on Friday, 31st August 2012 at 10:00 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 2012 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. Lalchand Munoth who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. M Jayantilal Jain who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment
4. 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.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modifications, the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310&311 and other applicable provisions, if any of the Companies Act, 1956, and in particular Schedule XIII thereto, consent of the members be and is hereby accorded to the re-appointment of and the payment of remuneration of Rs.1,25,000/- per month to Mr. Jaswant Munoth, the Managing Director of the company for a period of five years with effect from 01.12.2012 upon the terms and conditions as set out in the explanatory statement annexed to the notice convening this meeting with liberty to the Board of Directors to alter and/or vary such terms and conditions including the remuneration so as not to exceed the limits prescribed in part II of schedule XIII of the Companies Act,1956 or any statutory modifications or re-enactments thereof as may be mutually agreed upon by the Board of Directors and Mr. Jaswant Munoth.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, during the currency of tenure of the Managing Director, the company shall pay him remuneration by way of salary, perquisites and any other allowance in accordance with the scale laid down in Section II of part II of Schedule XIII of the companies Act,1956 as applicable to the company at the relevant time depending upon the effective capital of the company.”

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised and empowered to make such improvements in the terms of remuneration to Mr. Jaswant Munoth as may become permissible under any amendments to Schedule XIII to the companies Act,1956, or by way of any Government guidelines or instruction the intention being that no further approval of the company will be required so long as remuneration of the Managing Director is not in excess of the maximum permissible under the relevant law, rules, regulations, guidelines or instruction as may be promulgated or issued after the date of the general body meeting of the members.



MUNOTH COMMUNICATION LIMITED

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all steps that may be necessary or desirable to give effect to this resolution”

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

Place : Chennai
Date : 26/05/2012

Lalchand Munoth
Chairman

NOTES:

EXPLANATORY STATEMENT:

The relevant explanatory statement pursuant to Sec 173 of the Companies Act, 1956 is annexed hereto.

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 30, 2012 to August 31, 2012 (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 Shareholders should mark on the attendance slip as “Proxy” or “Representative” as the case may be. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.

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

ANNEXURE TO NOTICE

Explanatory statement under Section 173 of the Companies Act, 1956.

The Present term of office of Mr.Jaswant Munoth as Managing Director approved by the Shareholders will be ending on 30.11.2012

Mr.Jaswant Munoth is a commerce graduate with a Masters Degree in Business Administration. He is a Senior Member of the Board a His stature in the industry and array of corporate relationships are invaluable for the company. He is the architect behind several successful finance & investment companies and has vast experience in the telecommunication field. He is actively involved in the day to day running of the company.

The remuneration including salary, allowances and perquisites payable to Mr.Jaswant Munoth during his tenure of office as detailed below will not exceed the limits prescribed under Schedule XIII of the Companies Act, 1956. The Board believes that Mr.Jaswant Munoth's appointment as Managing Director of the company will be beneficial to the company's operations and the remuneration proposed to be paid to him is commensurate with his ability and experience.

The monthly remuneration by way of salary, perquisites and any other allowances payable to him shall be Rs.1,25,000./- With respect to the perquisites and other allowances he is entitled to get the following monetary benefits like :

- a) House Rent allowance/furnished/unfurnished accommodation
- b) Medical reimbursement
- c) Personal Accident insurance as per company's policy.
- d) Provision of car for official duties with chauffeur and telephone at residence.
- e) Gas, Electricity, water & furnishings; maintenance and repairs thereof.
- f) Leave travel concession for self and family.
- g) Club fees as per company's policy.
- h) Special allowances.
- i) Reimbursement of expenses incurred on newspapers and periodicals.
- j) Any other facilities as per company's rules (such as housing loan subject to the rules of the company).
- k) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the company as per the rules of the company.

Commissioner: Such remuneration by way of commission in addition to salary, perquisites and allowances calculated with reference to the net profits of the company in a particular financial year as may be determined by the Board or its committee at the end of each financial year based on certain performance criteria to be laid down by the Board of Directors or its committee subject to the overall ceilings stipulated in Sec.198 & 309 of the Companies Act, 1956.

He shall also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration specified above.

- a) Contribution to Provident Fund, Superannuation fund or Annuity Fund.
- b) Gratuity
- c) Encashment of leave at the end of the tenure.

The appointment and remuneration payable to Mr.Jaswant Munoth is subject to the approval of the Members in General Meeting.

None of the Directors of the company except Mr.Bharat Munoth, Mr.Lalchand Munoth and Mr.Jaswant Munoth are in anyway concerned or interested in the proposed resolution.

This explanatory statement relating to the resolution and accompanying notice may be treated as an abstract of the terms of the appointment of Mr.Jaswant Munoth as a Managing Director and the memorandum of interest of Directors in such appointment as required under Section 302 of the Companies Act, 1956.

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

Lalchand Munoth
Chairman

Place : Chennai
Date : 26/05/2012



MUNOTH COMMUNICATION LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting their Twenty Eighth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2012

FINANCIAL RESULTS:

Particulars	2011-2012	2010-2011
	Rs.In '000	Rs. in '000
Total Revenue	188388.16	64498.28
Total Expenditure	190112.76	61965.44
EBITDA	(1724.60)	2532.84
Less: Depreciation and amortization	3574.71	1272.75
Finance cost	2358.28	684.18
Profit / (Loss) before Tax	(7657.60)	575.91
Less: Tax expenses	716.29	400.82
Profit / (Loss) after tax	(8373.88)	175.09

REVIEW OF BUSINESS OPERATIONS:

Distribution of G'Five Mobile phones was discontinued as Kingtech Electronics (India) Private Limited terminated the agreement. MCL is in the process of closing down the business of G'Five Mobile phones.

FUTURE PROSPECTS:

The Company would look for some other distribution opportunities and continue to focus on its own brand Munoth which is in to application based phones.

DIVIDEND:

On account of the 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. Lalchand Munoth and Mr. M Jayantilal Jain retires by rotation at the forthcoming Annual General Meeting and both being eligible offers themselves for re-appointment.

The present term of office of Mr. Jaswant Munoth as Managing Director approved by the shareholders will be ending on 30/11/2012 and his reappointment as Managing Director for another term of five years is placed before members for approval.

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- 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 2012 and of the Profit/Loss of the company for the year ended 31st March 2012.
- 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.



MUNOTH COMMUNICATION LIMITED

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 85.87% 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.

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 : 26/05/2012

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.

2.2 Board Procedures

Dates for the board meetings were decided well in advance. The board meetings were held at the registered office of the Company. Five Board meetings were held on April 18, 2011, May 14, 2011, July 19, 2011, October 29, 2011 and January 31, 2012 during the year ended March 31, 2012.

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)	5	yes	1	2	1
Mr. Jaswant Munoth (Director)	5	yes	1	2	1
Mr. Bharat Munoth Director)	5	yes	1	3	-
Mr. Manish Mardia	5	Yes	-	2	-
Mrs Ranjani Padmanabhan	5	Yes	-	2	-
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.



MUNOTH COMMUNICATION LIMITED

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

Mr.Lalchand Munoth is retiring by rotation at this Annual General Meeting and being eligible offers himself for reappointment. He holds a Bachelor Degree in Arts from the Mysore University. He is a Senior Member of the Board and a guiding figure for the Munoth Team. His stature in the industry and array of corporate relationships are invaluable for the company. He is the architect behind several successful finance & investment companies and has vast experience in the finance field. He is also the Director of Munoth Financial Services Ltd., Munoth Industries Ltd., South India Chemicals & Leasing Pvt. Ltd., Jaswant Estates Pvt. Ltd. and Munoth Bioscience Ltd.

Mr.M Jayantilal Jain is retiring by rotation at this Annual General Meeting and being eligible offers himself for reappointment. Mr. M Jayantilal Jain, aged about 48 years has completed his graduation from Nagarjuna University and did his Chartered Accountants training with M/s. Kumbhat & Co., a leading Chartered Accountant firm in Chennai. He then joined M/s. Krishnan & Giri as partner in 1990. He is in the profession for the last 24 years and is in charge of finalization of Statutory and Tax Audits of Corporate and Non Corporate entities and has made representation before various tax authorities. He is also associated with many philanthropic Jain Association and religious trusts both as an auditor and member. He is also having vast experience in Capital Market segment and derivatives. He is also the Director of Munoth Financial Service Ltd. and JN Securities Pvt. Ltd.

The Present term of office of Mr.Jaswant Munoth as Managing Director approved by the Shareholders will be ending on 30.11.2012 and his reappointment as Managing Director for another term of five years is placed before the members for approval. Mr.Jaswant Munoth is a commerce graduate with a Masters Degree in Business Administration. He is a Senior Member of the Board. His stature in the industry and array of corporate relationships are invaluable for the company. He is the architect behind several successful finance & investment companies and has vast experience in the telecommunication field. He is actively involved in the day to day running of the company. He is also the Director of Munoth Financial Services Ltd., Munoth Industries Ltd., Shankeswar Finance & Investments Pvt. Ltd., Maharana Finance & Investments Pvt. Ltd., South India Chemicals & Leasing Pvt. Ltd., Jaswant Estates Pvt. Ltd., Munoth Bioscience Ltd. and Munoth NEG Wind Farm Pvt. Ltd.

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
3. Mrs. Ranjani Padmanabhan

3.2 Audit Committee attendance during the financial year

Four Audit Committee meetings were held on the following dates: May 14, 2011, July 19, 2011, October 29, 2011 and January 31, 2012.

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



MUNOTH COMMUNICATION LIMITED

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 focused 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
3. Mrs. Ranjani Padmanabhan

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 2011 –2012.

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 31.03.2012 is as follows:

	Rs. in Lakh
Salary	15.00
Commission -Perquisites & other allowances	_____ -
Total	<u>15.00</u>

5 Shareholders' and Investors' Grievance committee

5.1 Constitution and Composition:

The Board of Directors has constituted the Shareholders' and Investors' Grievance Committee in



MUNOTH COMMUNICATION LIMITED

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 5 times on the following dates: May 31, 2011, July 19, 2011, October 29, 2011, January 31, 2012 and March 31, 2012.

Name of the Director	No. of Meetings	Held Attended
Mr. M Jayantilal Jain	5	5
Mr. Lalchand Munoth	5	5
Mr. Jaswant Munoth	5	5

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..

6. General Body Meetings:

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

Year	Location	Date	Time
2008-2009	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	31 st August 2009	9.45 A M
2009-2010	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	12 th August 2010	10.15 A M
2010-2011	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	23 rd August 2011	10.30 A M

There was no special resolution passed in the last Annual General Meeting. During the year ended 31 March 2012, 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.



MUNOTH COMMUNICATION LIMITED

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)
- * Whether it also displays, official news releases and Presentations made to institutional Investors/ Analysis and Presentations made to institutional Investors/ Analysis (MD & A) 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	Friday , August 31, 2012 at 10. 00 AM at Nahar Hall Desabandhu Plaza, I Floor, 47, Whites Road,Royapettah, Chennai - 600 014												
	b) Financial Calendar:	First Quarter Results: July Second Quarter Results: Oct Third Quarter Results: Jan Last Quarter Results and Annual Results within 60 days of the end of financial year												
	c) Dates of Book Closure	August 30, 2012 to August 31, 2012 (Both days inclusive)												
	d) Dividend Payment Date	Not applicable												
	e) Listing on Stock Exchanges and Stock Code	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Address</th> <th style="text-align: left;">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 2012-2013 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 Identifiation Number (ISIN)	INE410E01015 (CDSL & NSDL)												



MUNOTH COMMUNICATION LIMITED

g) Market Price data: (Bombay stock Exchange Limited, Mumbai)

Month	High	Low Price
11-Apr	3.41	2.7
11-May	3.74	3.16
11-Jun	5.22	3.77
11-Jul	4.35	4.09
11-Aug	5	4.33
11-Sep	4.3	3.8
11-Oct	3.62	3.44
11-Nov	4.92	3.3
11-Dec	5.75	4.58
12-Jan	6.65	5.06
12-Feb	8.08	6.03
12-Mar	7.6	6.47

- 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 in 15 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 2012, 85.87 % 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, 2012 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 as on March 31, 2012

Shareholding of nominal value of	Shareholders		Shareholding	
	Rs. [1]	Number [2]	In Rs. [4]	% to Total Amount [5]
10-5000		2213	3419360	3.5435
5001-10000		177	1395810	1.4465
10001-20000		125	1945600	2.0162
20001-30000		58	1494370	1.5486
30001-40000		14	489050	0.5068
40001-50000		18	861400	0.8926
50001-100000		29	2036660	2.1106
100000 AND ABOVE		50	84851750	87.9347
TOTAL		2684	96494000	100.00

i) Categories of shareholders as on March 31, 2012

	CATEGORY	No. of shares held	Percentage of shareholding
A.	Promoter's holding		
1.	Promoters*		
	Indian Promoters	28,25,605	29.29
	Foreign Promoters	NIL	NIL
2.	Persons acting in concert #	NIL	NIL
	Sub- Total	28,25,605	29.29
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
	Sub- Total	3,36,625	3.49
4.	Others		
a.	Private Corporate Bodies	7,30,255	7.57
b.	Indian Public	14,56,727	15.09
C	NRIs/OCBs	13,00,188	13.47
d	Foreign Nationals	30,00,000	31.09
	Sub- Total	64,87,170	67.22
	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
26/05/2012

Lalchand Munoth
Chairman.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development:

The government is supporting the domestic equipment manufacturing industry and growth of indigenous technology. In partnership with industry, it is building a conducive ecosystem to boost the equipment-manufacturing sector that can compete with the best in the world. With the above initiatives India is expected to be a manufacturing hub for telecom equipment. To promote indigenous research and development (R&D) and manufacturing to become self-reliant in the telecom/ICT equipment manufacturing sector, various strategies have been proposed in the Draft National Telecom Policy. Emphasis will be given to creation of Indian IPRs which go into international standards as well as to product manufacturing in implementation of major programmes and projects as a vehicle for developing Brand India.

2. Segment Wise Performance:

The Company operates in a single segment viz. selling and distribution of mobile phones. Distribution of G'Five Mobile phones was discontinued as Kingtech Electronics (India) Private Limited terminated the agreement. MCL is in the process of closing down the business of G'Five Mobile phones.

3. Future Plans and Outlook:

The Company would look for some other distribution opportunities and continue to focus on its own brand Munoth which is in to application based phones.



4. Financial Performance:

During the financial year, the Company has made a total Revenue of Rs.188388.16 thousands compared to Rs.64498.28 thousands in the previous financial year.

5. Strength and Weakness

The demand of handset market is huge and the government support to domestic manufacturing industry will strengthen the industry. But the industry faces problems relating to high service cost, expensive telecom infrastructure and government regulations.

6. Opportunities and Threats:

Our Country has Asia's third largest economy adding atleast one million new mobilephones users every month and now cellular phones are being viewed as a common man's phone and increased availability of bandwidth has open doors to new schemes making efficient usage, providing value added services and generating profits. But the industry faces threat due to weak intellectual property right protection, political instability, software and digital content piracy and high level of risk uncertainty and cost associated with the cellular sector.

7. Outlook, Risks and Concern:

The handset market, as of date, is flooded with over 30 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

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.



MUNOTH COMMUNICATION LIMITED

Annexure – 1

Auditors' Certificate on Corporate Governance

CERTIFICATE

To the members of Munoth Communication Limited

We have examined the compliance of conditions of Corporate Governance by Munoth Communication Limited, for the year ended on 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 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/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or the effectiveness with which 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 : 26/05/2012

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 2012 compliance with the code of conduct of the company laid down for them.

Date : 26/05/2012

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 2012 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 : 26/05/2012
Place : Chennai.

Jaswant Munoth
Managing Director



MUNOTH COMMUNICATION LIMITED

AUDITOR'S REPORT

To
The Members of
Munoth Communication Limited

We have audited the attached Balance Sheet of **M/S. MUNOTH COMMUNICATION LIMITED**, as at 31st March 2012 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 2012 and taken on record by the board of directors, we report that none of the Directors are disqualified as on March 31st, 2012 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 :-
 - a. In the case of the Balance sheet, of the state of affairs of the company as at 31st March, 2012; and
 - b. In the case of Profit and Loss Account of the Loss for the year ended on that date.
 - c. 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 : 26/05/2012



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) 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.
- (iii) According to the information and explanations given to us, the Company has not granted or taken any secured or unsecured loans during the year from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1961 (1 of 1956) and accordingly, paragraphs 4 (iii), (b), (c), (d), (e), (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 of 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;
- (viii) 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.
- (ix) (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.93,850/- of undisputed tax on lease rentals.
- (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 2012 for a period of more than six months from the date they become payable. Further, since the Central Government has not prescribed the



MUNOTH COMMUNICATION LIMITED

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.

- (x) The accumulated losses as at 31.3.2012 are not in excess of 50% of the net worth. The Company has incurred cash loss during the financial year covered by our audit but not in the immediately preceding financial year.
- (xi) 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.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares.
- (xiii) The provision of any special statute applicable to chit fund / nidhi / mutual fund / societies are not applicable to the company.
- (xiv) 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.
- (xv) 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.
- (xvi) 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.
- (xvii) 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.
- (xviii) During the year the company has not made any preferential allotment of shares.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of Public Issue during the year.
- (xxi) 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 : 26/05/2012



MUNOTH COMMUNICATION LIMITED

BALANCE SHEET AS ON 31 MARCH 2012

Equity and Liabilities	Notes	As at 31st March 2012 Rs. In '000	As at 31st March 2011 Rs. In '000
Shareholders' Fund			
Share capital	1	99,513.43	99,513.43
Reserves and surplus	2	13,751.50	22,125.41
		1,13,264.93	1,21,638.84
Non Current Liabilities			
Long-term borrowings	3	258.82	469.41
Other long-term liabilities	4	109.60	129.60
Long-term provisions	5	0.00	0.00
		368.42	599.01
Current Liabilities			
Short-term borrowings	6	0.00	24,653.56
Trade payables	6	579.31	1,781.89
Other current liabilities	7	2,341.06	1,873.36
Short-term provisions	5	1,353.85	1,193.85
		4,274.23	29,502.66
Total		1,17,907.58	1,51,740.51
Assets			
Non-Current Assets			
Fixed assets			
Tangible assets	8	11,660.43	13,088.97
Intangible assets	9.1	3,821.17	43.48
Intangible assets under Development	9.2	0.00	4,486.08
Non-current Investments	10	47,324.36	44,634.36
Deferred tax assets (net)	11	3,955.34	4,671.63
Long-term loans and advances	12	16,541.50	12,667.00
Trade receivables	13.1	0.00	0.00
Other non-current assets	13.2	8,925.69	25,135.48
		92,228.50	1,04,727.00
Current Assets			
Current investments	14	1,563.77	0.00
Inventories	15	17,722.85	41,780.87
Trade receivables	13.1	5,535.01	3,293.19
Cash and bank balances	16	752.20	233.54
Short-term loans and advances	12	0.00	110.08
Other current assets	13.2	105.25	1,595.83
		25,679.08	47,013.51
Total		1,17,907.58	1,51,740.51

Summary of Significant accounting policies

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

As per our report of even date

For KUMBHAT & CO

Firm Registration Number : 001609S

Chartered Accountants

For on behalf of the board of directors of

Munoth Communication Ltd

Ajit Kumbhat
Partner

Membership Number : 19582

Place : Chennai

Date : 26/05/2012

Lalchand Munoth
[Chariman]

Jaswant Munoth
[Managing Director]

Bharat Munoth
[Director]



MUNOTH COMMUNICATION LIMITED

Statement of Profit and Loss for the year ended 31 March 2012

Continuing Operations	Notes	Year ended 31st March 2012 Rs. In '000	Year ended 31st March 2011 Rs. In '000
Revenue from operations	17	1,88,079.58	61,684.14
Other income	18	308.57	2,814.13
Total revenue (I)		<u>1,88,388.16</u>	<u>64,498.28</u>
Expenses			
Purchase of Traded goods		1,46,307.07	83,176.80
Increase/decrease in inventories of finished goods,	19	24,058.02	-30,602.31
Employee benefit expenses	20	7,602.08	4,700.53
other expenses	21	12,145.59	4,690.42
Total (II)		<u>1,90,112.76</u>	<u>61,965.44</u>
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)		<u>(1,724.60)</u>	<u>2,532.84</u>
Depreciation and amortisation expenses	22	3,574.71	1,272.75
Less : Recoupment from revaluation reserves		0.00	0.00
Net Depreciation and amortization expenses		3,574.71	1,272.75
Finance Cost	23	2,358.28	684.18
Profit/(Loss) before Tax		<u>(7,657.60)</u>	<u>575.91</u>
Tax expenses			
Current Tax		0.00	0.00
Deferred Tax	11	716.29	400.82
Total tax expenses		<u>716.29</u>	<u>400.82</u>
Profit/(loss) for the year from continuing operations(A)		<u>(8,373.88)</u>	<u>175.09</u>
Discontinuing Operations			
Profit/(loss) before tax from discontinuing operations		0.00	0.00
Tax expenses of discontinuing operations		0.00	0.00
Profit/(loss) after tax from discontinuing operations(B)		<u>0.00</u>	<u>0.00</u>
Profit/(Loss) for the year (A+B)		<u>(8,373.88)</u>	<u>175.09</u>
Earnings per equity share [nominal value of share Rs.10]	25		
Basic	Face value Rs.		
Computation on the basis of profit from continuing operations	10	-0.09	0.00
Computation on the basis of total profit for the year	10	-0.09	0.00
Diluted			
Computation on the basis of profit from continuing operations	10	-0.09	0.00
Computation on the basis of total profit for the year	10	-0.09	0.00

Summary of Significant accounting policies

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

As per our report of even date

For KUMBHAT & CO

Firm Registration Number : 001609S
Chartered Accountants

For on behalf of the board of directors of
Munoth Communication Ltd

Ajit Kumbhat
Partner
Membership Number : 19582
Place : Chennai
Date : 26/05/2012

Lalchand Munoth
[Chariman]

Jaswant Munoth
[Managing Director]

Bharat Munoth
[Director]



SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2012.

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 amortises this over the period of three years.

4. DEPRECIATION :

- (i) Depreciation on owned assets is provided on Written down value method at the rates in the manner specified in Schedule XIV to the Companies Act, 1956.
- (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 Notes 10 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. RETIRMENT AND OTHER BENEFITS TO THE EMPLOYEES :

a) Gratuity :

The Company has provided for gratuity during the year on accrual basis and is unfunded.

b) Leave Salary :

In respect of Leave Salary, the company does 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. The employers contribution to provident fund is provided on accrual basis.

9. SEGMENT REPORTING (AS – 17)

This standard is not applicable to the company for the year.

10. CONSOLIDATED FINANCIAL STATEMENTS : (AS – 21)

As the Company has no subsidiary the question of preparation of Consolidated Financial Statements does not arise.

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 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.



MUNOTH COMMUNICATION LIMITED

Notes to financial statement for the year ended 31 March 2012

1 Share capital	31 March 2012		31 March 2011	
	Rs. '000		Rs. '000	
Authorised Share				
12000000 number of Equity shares of Rs.10 each	120,000.00		120,000.00	
Issued, Subscribed and Fully Paid up Share Capital:	96,494.00		96,494.00	
9649400 number of Equity shares of Rs.10 each				
Total issued, subscribed and fully paid up share capital	<u>96,494.00</u>		<u>96,494.00</u>	
a. Reconciliation of share outstanding at the beginning and at the end of the reporting period				
Equity shares	31 March 2012		31 March 2011	
	No of shares	Rs. In '000	No of shares	Rs. In '000
At the beginning of the period	96,494.00	964,940.00	96,494.00	964,940.00
Outstanding at the end of the period	96,494.00	964,940.00	96,494.00	964,940.00
b. Details of shareholders holding more than 5% shares in the company				
Name of the shareholder	31 March 2012		31 March 2011	
	No of shares	% of holding	No of shares	% of holding
South India Chemicals & Leasing Pvt Ltd	1,212,500	13%	1,212,500.00	13%
Chip K Lim	1,000,000	10%	1,000,000.00	10%
Feng Pat Se	1,000,000	10%	1,000,000.00	10%
Lee Foo San	1,000,000	10%	1,000,000.00	10%
Victor Raj	1,000,000	10%	1,000,000.00	10%
Munoth Financial Services Ltd	689,000	7%	689,000.00	7%
c. No of shares Forfeited :	350600	350600		
Amount originally paid up(Rs. in '000)	3019.43	3019.43		
2 Reserves and surplus	31 March 2012		31 March 2011	
	Rs. '000		Rs. '000	
Capital Reserve	-		-	
Capital redemption reserve	-		-	
Securities premium account				
Balance as per last financial statement	<u>56,104.08</u>		<u>56,104.08</u>	
Closing balance	<u>56,104.08</u>		<u>56,104.08</u>	
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statement	(33,978.69)		(34,153.76)	
Profit for the year	(8,373.88)		175.09	
Less: Appropriations	-		-	
Total appropriations	-		-	
Net surplus in the statement of profit and loss	<u>(42,352.58)</u>		<u>(33,978.67)</u>	
Total reserve and surplus	<u>13,751.50</u>		<u>22,125.41</u>	



MUNOTH COMMUNICATION LIMITED

3 Long- term borrowings	Non- current portion		Current maturities	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Term loans				
From financial institutions (secured)				
BMW Financial Services Ltd	258.82	469.41		
(Secured Against Company's Car, repayable over 84 months)				
Other loans and advance	-	-		
	<u>258.82</u>	<u>469.41</u>	-	-
4 Other Long Term liabilities				
		31 March 2012		31 March 2011
		Rs. '000		Rs. '000
Others				
Rental Deposits		109.60		129.60
		<u>109.60</u>		<u>129.60</u>
5 Provisions				
		Long-term		Short-term
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Provision for post employment benefits			1,260.00	1,100.00
Provision for lease tax payable			93.85	93.85
Others			-	-
	<u>-</u>	<u>-</u>	<u>1,353.85</u>	<u>1,193.85</u>
6 Short- term borrowings				
		31 March 2012		31 March 2011
		Rs. '000		Rs. '000
Cash credit from banks		-		-
Overdraft facility from (secured against property)				
Indian Bank		-		24300.68
Indian Bank Current a/c		-		352.88
		<u>-</u>		<u>24,653.56</u>
The above amounts includes				
Secured		-		24,653.56
Unsecured		-		-
7 Other current liabilities				
		31 March 2012		31 March 2011
		Rs. '000		Rs. '000
a Current maturities of long term borrowings (refer note 3)		1,200.00		1,289.03
b Due to Micro Small and Medium Enterprises		-		-
c Trade payables		579.31		1,781.89
d Other payables				
Statutory dues		1,046.44		34.00
Outstanding Expenses		94.62		550.33
		<u>2,341.06</u>		<u>1,873.36</u>



MUNOTH COMMUNICATION LIMITED

8 Tangible Assets		Rs. '000						
	Land	Building	Plant & Equipment	Furniture & Fittings	Vehicles	Computers	Total	
Cost or Valuation								
At 1 April 2010	2,140.00	2,548.00	1,598.80	4,299.25	2,201.00	1,779.50	14,566.55	
Additions	-	3,888.40	101.56	416.42	2,579.51	499.45	7,485.34	
Disposals	-	-	-	-	49.50	-	49.50	
At 31 March 2011	2,140.00	6,436.40	1,700.36	4,715.67	4,731.01	2,278.95	22,002.39	
Additions	-	-	157.54	-	-	73.70	231.24	
Acquisition through amalgamation	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	
At 31 March 2012	2,140.00	6,436.40	1,857.90	4,715.67	4,731.01	2,352.65	22,233.63	
Depreciation								
At 1 April 2010	0.00%	5.00%	13.91%	18.10%	25.89%	40.00%	7,696.20	
Charges for the year	-	1,167.65	1,074.99	2,637.69	1,078.23	1,737.64	12,59.07	
Disposals	-	107.02	77.86	310.74	662.70	100.74	41.85	
At 31 March 2011	-	1,274.67	1,152.85	2,948.43	1,999.08	1,838.38	8,913.42	
Charges for the year	-	258.09	94.22	319.87	784.97	202.63	1,659.78	
Disposals	-	-	-	-	-	-	-	
	-	1,532.75	1,247.07	3,268.30	2,484.05	2,041.02	10,573.20	
Impairment loss								
At 1 April 2010	-	-	-	-	-	-	-	
At 31 March 2011	-	-	-	-	-	-	-	
Charge for the year	-	-	-	-	-	-	-	
At 31 March 2012	-	-	-	-	-	-	-	
Net Block								
At 31 March 2011	2,140.00	5,161.73	547.51	1,767.24	3,031.93	440.57	13,088.97	
At 31 March 2012	2,140.00	4,903.65	610.83	1,447.37	2,246.96	311.63	11,660.43	



9 Intangible Assets		Rs. '000				
	Goodwill	Senior mobile software	Patents and Intellectual Property	Technical know how	Computer software	Total
Gross block						
At 1 April 2010	-	-	-	-	205.00	205.00
Purchase	-	-	-	-	37.96	37.96
Internal Development (under development)	-	-	-	-	-	-
Deletion	-	-	-	-	-	-
At 31 March 2011	-	-	-	-	242.96	242.96
Purchase	-	5,692.63	-	-	-	5,692.63
Acquisition through amalgamation (note 35)/Internal Development	-	-	-	-	-	-
Deletion	-	-	-	-	-	-
At 31 March 2012	-	5,692.63	-	-	242.96	5,935.59
Amortization						
At 1 April 2010	-	-	-	-	185.80	185.80
Charges for the year	-	-	-	-	13.68	13.68
At 31 March 2011	-	-	-	-	199.48	199.48
Charges for the year	-	1,897.54	-	-	17.39	1,914.94
At 31 March 2012	-	1,897.54	-	-	216.87	2,114.42
Net Block						
At 31 March 2011	-	-	-	-	43.48	43.48
At 31 March 2012	-	3,795.09	-	-	26.09	3,821.17



MUNOTH COMMUNICATION LIMITED

9.2 Intangible assets under development	Rs. '000
Senior citizen mobile software under development	-
Gross block At 1 April 2010	-
Purchase	4,486.08
Internal Development (under development)	4,486.08
Deletion	1,206.55
At 31 March 2011	5,692.63
Purchase	-
Acquisition through amalgamation (note 35)/Internal Development	-
Deletion	-
At 31 March 2012	4,486.08
Amortization	-
At 1 April 2010	-
Charges for the year	-
At 31 March 2011	-
Charges for the year	-
At 31 March 2012	-
Net Block	4,486.08
At 31 March 2011	-
At 31 March 2012	-

10 Non Current Investments

Names of the Body Corporate In Equited shares of Indian Companies	31 March 2012				31 March 2011			
	Quantity	Cost Rs.in 000 s	Aggregate Value of Provisions	Net Value after Provisions	Quantity	Cost Rs.in 000's	Aggregate Value of Provisions	Net Value after Provisions
A) company under the same management								
Munoth Financial Services Ltd (Market value Rs.64.84 lacs Previous year Rs 105.30 Lacs)	1,806,200.00	18,227.29	-	18,227.29	1,806,200.00	18,227.29	-	18,227.29
Munoth Neg Wind Farm Ltd - unquoted	87,800.00	737.07	-	737.07	82,800.00	687.07	-	687.07
Munoth Industries Ltd-unquoted	380,800.00	3,125.00	-	3,125.00	220,800.00	1,525.00	-	1,525.00
B) Others								
i) Quoted								
a) E-Metals Limited (Formerly known as Daudayal Finvest limited)	28,000.00	1,035.00	1,035.00	-	28,000.00	1,035.00	258.00	258.00
b) Others*	1,062,295.00	17,687.00	1,252.00	16,435.00	1,062,295.00	17,687.00	777.00	17,687.00
ii) Unquoted								
Tata stocks and options ltd.	345,400.00	5,270.00	2,070.00	3,200.00	345,400.00	5,270.00	2,070.00	3,200.00
Perfect stones ltd.	230,000.00	2,300.00	-	2,300.00	230,000.00	2,300.00	-	2,300.00
India Mobile Network Pvt Ltd	75,000.00	750.00	-	750.00	75,000.00	750.00	-	750.00
	4,015,495.00	49,131.36	4,357.00	44,774.36	3,850,495.00	47,481.36	2,847.00	44,634.36
Other non-current investments				50.00				-
Fixed Deposit with HDFC Ltd				2,500.00				-
Share application Money								-
Munoth G Five Telecom Ltd								
				47,324.36				44,634.36



MUNOTH COMMUNICATION LIMITED

31 March 2011
Rs. '000

31 March 2012
Rs. '000

Investment-quoted -others*	2011-12		2010-11		Aggregate Value of Provisions	Net Value after Provisions
	Quantity	Cost Rs.In 000's	Quantity	Cost Rs.In 000's		
Colgate Palmolive	100.00	25.00	100.00	25.00	25.00	25.00
Computer Power (I) Ltd	800,000.00	800.00	800,000.00	800.00	800.00	800.00
DLF Limited	2,000.00	501.00	2,000.00	501.00	501.00	501.00
EBF Finance Ltd	6,600.00	317.00	6,600.00	317.00	317.00	317.00
Eforce Ltd	700.00	7.00	700.00	7.00	7.00	7.00
Grandlease florex LTd	11,000.00	110.00	11,000.00	110.00	110.00	110.00
Gujaratinject LTd	400.00	4.00	400.00	4.00	4.00	4.00
Jaiprakash industries LTd	125.00	19.00	125.00	19.00	19.00	19.00
Kirloskar brothers Ltd	20.00	6.00	20.00	6.00	6.00	6.00
Life line inject LTd	400.00	4.00	400.00	4.00	4.00	4.00
Phonex international Ltd	500.00	5.00	500.00	5.00	5.00	5.00
Rajnarayan Financial Services Ltd	135,300.00	2,520.00	135,300.00	2,520.00	2,520.00	2,520.00
Rane brake linings Ltd	100.00	18.00	100.00	18.00	18.00	18.00
Reliance Capital Limited	1,750.00	1,010.00	1,750.00	1,010.00	1,010.00	1,010.00
Reliance Communication Limited	2,500.00	535.00	2,500.00	535.00	535.00	535.00
Reliance Infrastructure Limited	1,750.00	1,179.00	1,750.00	1,179.00	1,179.00	1,179.00
Reliance Industries Limited	4,000.00	5,398.00	4,000.00	5,398.00	5,398.00	5,398.00
Reliance Power Limited	17,000.00	2,343.00	17,000.00	2,343.00	2,343.00	2,343.00
LARSEN & TOUBRO	100.00	218.00	100.00	218.00	218.00	218.00
Sulzon Energy Limited	11,000.00	1,794.00	11,000.00	1,794.00	1,794.00	1,794.00
sofcom system limited	55,000.00	550.00	55,000.00	550.00	550.00	550.00
Talavadi Rocks & Minerals LTd	4,000.00	40.00	4,000.00	40.00	40.00	40.00
Vijaykumar Mills Ltd	50.00	2.00	50.00	2.00	2.00	2.00
Vsm Finance & Investments LTd	1,900.00	19.00	1,900.00	19.00	19.00	19.00
Unitech Limited	6,000.00	263.00	6,000.00	263.00	263.00	263.00
	1,062,295.00	115,949.72	1,062,295.00	112,649.72	5,694.00	151,590.09



MUNOTH COMMUNICATION LIMITED

11 Deferred Tax (net)	31 March 2012		31 March 2011	
	Rs. '000		Rs. '000	
Deferred Tax liability				
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged to the financial statement		455.30		35.99
Others				
Brought Forward Losses		651.46		705.71
Gross deferred tax liability		<u>1,106.76</u>		<u>741.71</u>
Deferred Tax Assets				
Gratuity		390.47		340.89
Gross deferred tax asset		<u>390.47</u>		<u>340.89</u>
Net deferred tax asset		<u>716.29</u>		<u>400.82</u>
12 Loans and advances				
		Non- current		Current
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Advances recoverable in cash or kind - unsecured considered good	16,541.50	12,667.00	-	110.08
Total	<u>16,541.50</u>	<u>12,667.00</u>	-	<u>110.08</u>
13 Trade receivables and other assets				
13.1 Trade receivables				
		Non-current		Current
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Unsecured, considered good				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
Others			5,535.01	3,293.19
Provision for doubtful receivables	-	-	-	-
(A)	-	-	<u>5,535.01</u>	<u>3,293.19</u>
Other Receivables (Secured/unsecured/doubtful- provision)				
(B)	-	-	-	-
Total	(A+B)	-	<u>5,535.01</u>	<u>3,293.19</u>
13.2 Other assets				
		Non-current		Current
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Unamortized expenditure -Deferred revenue expenditure*	490.71	981.33		
Unamortized expenditure -Preliminary expenses**	1,391.00	2,086.00		
	<u>1,881.71</u>	<u>3,067.33</u>	-	-
Others				
Employee	-	-	42.86	345.00
Govtment authorities	6,834.01	6,829.13	-	1,127.28
Others	209.96	15,239.03	62.39	123.55
Total	<u>8,925.69</u>	<u>25,135.48</u>	<u>105.25</u>	<u>1,595.83</u>



MUNOTH COMMUNICATION LIMITED

*Deferred Revenue Expenditure	2011-12	2010-11
Balance as per last balance sheet	981.33	1,472.00
Less: Written off during the year	490.67	490.67
Balance carried forward	490.66	981.33
Rest(Years)	1.00	2.00
**Preliminary expenses	2011-12	2010-11
Balance as per last balance sheet	2,086.00	2,781.00
Less: Written off during the year	695.00	695.00
Balance carried forward	1,391.00	2,086.00
Rest(Years)	2.00	3.00
14 Current investments	31 March 2012	31 March 2011
	Rs. '000	Rs. '000
Current portion of long-term investments (valued at cost)	-	-
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted mutual funds	1,563.77	-
1,02,590.98(31 March 2011:) units of Reliance Liquid Mutual Fund		
	<u>1,563.77</u>	<u>-</u>
15 Inventories (valued at lower of cost and net realizable value)	31 March 2012	31 March 2011
	Rs. '000	Rs. '000
Traded goods (including stock-in-transit Rs Nil (31 March 2011: Rs.Nil) (refer note 19)		
Mobile phones	3,595.05	24,758.31
Shares & Debentures	14,127.79	17,022.56
Others	-	-
* Mode of valuation and individual share details (Refer note 28)		
	<u>17,722.85</u>	<u>41,780.87</u>
16. Cash and bank balances	Non-current	Current
	31 March 2012	31 March 2011
	Rs. '000	Rs. '000
Cash and cash equivalents		
Balances with banks:		
On current accounts	692.28	138.09
Deposits with original maturity of less than three months	-	-
On unpaid dividend account	-	-
Cash on hand	59.92	45.46
A)	<u>752.20</u>	<u>183.54</u>
Other bank balances		
Deposits with original maturity for more than 12 months	-	50.00
Deposits with original maturity for more than 3 months but less than 12 months	-	-
Margin money deposit	-	-
B)	<u>-</u>	<u>50.00</u>
Total (A+B)	<u>752.20</u>	<u>233.54</u>



MUNOTH COMMUNICATION LIMITED

17	Revenue from operations			
		31 March 2012	31 March 2011	
		Rs. '000	Rs. '000	
	Finished goods	188,079.58	61,684.14	
	Revenue from operations (gross)	188,079.58	61,684.14	
	Less: Excise duty #	-	-	
	Revenue from operations (net)	<u>188,079.58</u>	<u>61,684.14</u>	
18	Other income	31 March 2012	31 March 2011	
		Rs. '000	Rs. '000	
	Interest income on			
	Others		452.94	
	Dividend income on Shares and Mutual Fund	136.24	248.97	
	Commission income (TDS Rs.8813 PY Rs. 13,307)	148.85		
	Other non-operating income (net of expenses directly attributable to such income of Rs23.48 (31 March 2011: Rs2,112.22)			
	Other income	16.28	2,112.22	
	Rental income	7.20		
		<u>308.57</u>	<u>2,814.13</u>	
19	(Increase)/decrease in inventories	31 March 2012	31 March 2011	(Increase)
		Rs. '000	Rs. '000	/Decrease
	Inventories at the end of the year (31 March 2012)			
	Traded goods			
	Stock-Mobiles	3,595.05	24,758.31	21,163.26
	Stock-Shares	<u>14,127.79</u>	<u>17,022.56</u>	<u>2,894.76</u>
		<u>17,722.85</u>	<u>41,780.87</u>	<u>24,058.02</u>
	Inventories at the beginning of the year (31March2011)			
	Traded goods			-
	Stock-Mobiles	24,758.31	-	(24,758.31)
	Stock-Shares	<u>17,022.56</u>	<u>11,178.56</u>	<u>(5,844.00)</u>
		<u>41,780.87</u>	<u>11,178.56</u>	<u>(30,602.31)</u>
		<u>24,058.02</u>	<u>(30,602.31)</u>	
20	Employee benefit expense	31 March 2012	31 March 2011	
		Rs. '000	Rs. '000	
	Salaries, wages and bonus	5,718.92	2,473.15	
	Managerial Remuneration	1,500.00	1,500.00	
	Contribution to provident and super annuation fund	135.87	76.84	
	Gratuity expense	160.00	608.19	
	Staff welfare expenses	87.29	26.80	
	Performance pay	-	15.55	
		<u>7,602.08</u>	<u>4,700.53</u>	
21	Other expenses	31 March 2012	31 March 2011	
		Rs. '000	Rs. '000	
	Power and fuel	221.37	168.24	
	Rent	-	96.40	
	Rates and taxes, excluding, taxes on income	59.98	116.98	
	Insurance	297.32	190.93	



MUNOTH COMMUNICATION LIMITED

Repairs and maintenance		
Buildings	-	239.20
Others- vehicles	147.77	182.05
Advertising and sales promotion	20.80	-
Brokerage and discounts - trade discount	1,955.07	-
Travelling and conveyance	2,661.81	558.68
Communication costs	247.31	225.69
Printing and stationery	158.33	137.95
Legal and professional fees	1,259.14	38.09
Payment to auditor (Refer details below)	100.00	79.68
Bad debts/advances written off	142.70	-
Miscellaneous expenses	4,614.00	2,656.53
Donation	260.00	-
	<u>12,145.59</u>	<u>4,690.42</u>
Above expenses include research and development expenses	-	-
Payment to auditor		
Audit fee	60.00	45.00
Tax audit fee	20.00	15.00
Other fees	20.00	19.68
	<u>100.00</u>	<u>79.68</u>
22 Depreciation and amortization expense	31 March 2012	31 March 2011
	Rs. '000	Rs. '000
Depreciation of tangible assets	1,659.78	1,259.07
Amortization of intangible assets	1,914.94	-
Depreciation of investment property	-	-
Less: recoupmnt from revaluation reserve	-	-
	<u>3,574.71</u>	<u>1,259.07</u>
23 Finance costs	31 March 2012	31 March 2011
	Rs. '000	Rs. '000
Interest (TDS Rs Nil PY Rs. 84,825)	2,228.84	533.02
Bank charges	129.44	151.16
Amortization of ancillary borrowing costs	-	-
Exchange difference to the extent considered as an adjustment to borrowing costs	-	-
	<u>2,358.28</u>	<u>684.18</u>
24 Value of imports calculated on CIF basis	31 March 2012	31 March 2011
	Rs. '000	Rs. '000
CIF Value of Imports (CY 4058 PY 2032)units	4,963,422.00	1,731,731.00



MUNOTH COMMUNICATION LIMITED

25 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March 2012 Rs. '000	31 March 2011 Rs. '000
Total operations for the year		
Profit/(loss) after tax	(8,373.88)	175.09
Less : Dividends on convertible preference shares & tax thereon	-	-
Net profit/(loss) for calculation of basic EPS	(8,373.88)	175.09
Net profit as above	(8,373.88)	175.09
Add : dividends on convertible preference shares & tax thereon	-	-
Add : interest on bonds convertible into equity shares (net of tax)	-	-
Net profit/(loss) for calculation of diluted EPS	(8,373.88)	175.09
Continuing operations		
Profit/(loss) after tax	(8,373.88)	175.09
Less : dividends on convertible preference shares & tax thereon	-	-
Net profit for calculation of basic EPS	(8,373.88)	175.09
Net profit as above	(8,373.88)	175.09
Add : dividends on convertible preference shares & tax thereon	-	-
Add : interest on bonds convertible into equity shares (net of tax)	-	-
Net profit/(loss) for calculation of diluted EPS	(8,373.88)	175.09
Weighted average number of equity shares in calculating basic EPS	(0.09)	0.00
Effect of dilution:		
Convertible preference shares	-	-
Convertible bonds	-	-
Stock options granted under ESOP	-	-
Weighted average number of equity shares in calculating diluted EPS	(0.09)	0.00

26 Related party disclosures

a. Names of related parties and related party relationship

List of Related Parties with whom transaction have taken place :

- | | |
|---------------------------------------|--|
| i) Fellow subsidiaries | -NA- |
| ii) Associates | 1. Munoth Financial Services Ltd
2. Munoth Neg Wind Farm Ltd
3. Munoth Industries Ltd
4. Munoth G' Five Telecom Limited |
| iii) Key management personnel | Mr. Jaswant Munoth |
| iv) Companies having common directors | 1.M/s. South India Chemicals & Leasing Private Limited
2.M/S.Munoth Financial Services Ltd |



MUNOTH COMMUNICATION LIMITED

b. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Remuneration to key managerial personnel	31 March 2012 Rs. '000	31 March 2011 Rs. '000
<u>Mr. Jaswant Munoth</u>		
Salary, bonus and contribution to PF	1,500.00	1,500.00
Total	1,500.00	1,500.00

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

b. Non Current Investments	31 March 2012 Rs. '000	31 March 2011 Rs. '000
Associates:		
Munoth Financial Services Ltd	18,227.29	18,227.29
Munoth Neg Wind Farm Ltd - unquoted	737.07	687.07
Munoth Industries Ltd-unquoted	3,125.00	1,525.00

c. Share Application Money	31 March 2012 Rs. '000	31 March 2011 Rs. '000
Associates:		
Munoth G' Five Telecom Limited	2,500.00	-

27 Previous year's figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

28 Closing inventory as on 31.3.12

NAME OF THE COMPANY	QTY	Face Value	Value (Cost or Mkt whichever is lower)
Ambuja Foods Ltd	100	10	1
Amethi Textiles Ltd	100	10	1
Appolo Tubes Ltd	70000	10	1
Arihant Costyn Ltd	100	10	1
Arvind Remedies Ltd	7000	1	12800
Asian Tractors Ltd	100	10	1
Aurangabad Paper Ltd	100	10	246
Avon Industries Ltd	100	10	1
Axel Polymers Limited	500	10	950
Benaras State Bank Ltd	97800	10	4890000
Benaras State Bank Ltd	50000	10	500000
Bharat Textiles & Proofing Ind Ltd	6200	10	1
Bhiwani Denim Ltd	100	10	1
Blue Blend Petro	250	10	1
Btw Industries Ltd	100	10	1
Caplin Point Labora Ltd	1700	10	33898

**MUNOTH COMMUNICATION LIMITED**

NAME OF THE COMPANY	QTY	Face Value	Value (Cost or Mkt whichever is lower)
Cethar Industries Ltd	30000	10	1
Computer Power India Limited	493500	1	1
Coramandel Granites	29200	10	1
Decan Granites Ltd	100	10	1
Delight Hand Pal Ltd	3200	10	1
Deve Sugars Ltd	6200	10	1
Flawless Diamonds Ltd	100	10	50
Gujarat Ambuja Cotspyn	100	10	1
Gujarat Ambuja Proteins	10	10	1
Gujarat Tele Cables	50	10	1
Hytasun Magnetics Ltd	100	10	1
India Castor Ltd	3300	10	1
Indo French Bio Ent Ltd	500	10	1
Indo Germa Prod Ltd	17600	10	1
Indo Maxwell Ltd	100	10	1
Interfit Techno Products	1400	10	11550
Jain Granites & Pro India Ltd	37300	10	1
Jamshedpur Metal Tr Ltd	1800	10	1
Jaswal Granites Ltd	200	10	1
Keshariya Spinners Ltd	5300	10	1
Kothari Securities Ltd	200000	10	1
Laser Diamonds Ltd	9500	10	30400
Leena Textiles Ltd	3500	10	1
Mangul Knits Ltd	10600	10	1
Neo Intex Mills Ltd	1400	10	1
Nepc Textiles Ltd	700	10	1
Nutech Financial Services Ltd	90000	10	1
Orient Organics Ltd	1700	10	1
Orind Exports Ltd	3300	10	10461
Pentafour Products L	23500	10	1
Praveen Properties Ltd(Partlypaid)	178500	10	1
Prudential Mouli Sugars Ltd	200	10	1
Ramkish Tyres Ltd	100	10	1
Rave Globals Ltd	495000	10	1
Si Properties Ltd	1500	10	1
Sisco	1000	10	23310
Sofcom Systems Ltd	292500	10	3972150
Sri Vani Sugars & Chem Ltd	1100	10	1
Stan Packs	5000	10	1
Talawadi Rocks & Miner Pro Ltd	10000	10	1
Tatia Stocks & Options L	274600	10	2196800
U B Petro Prod Ltd	100	10	1
U T I Master Gain 92	50	10	650
Usha India Ltd(Usharectifier)	100	10	1
Veejay Lakshmi Engg Works Ltd	1400	10	42280



MUNOTH COMMUNICATION LIMITED

NAME OF THE COMPANY	QTY	Face Value	Value (Cost or Mkt whichever is lower)
Vinsari Fruitech Ltd	48800	10	1
White House Cotton Indl Ltd	4000	10	1
Ceat Financial Services Ltd	11050	10	1
Chandra Prabhu Housing Ltd	71500	10	1
Excel Finance Ltd	13500	10	1
Innovation Securities Ltd	5500	10	1
Mercantile Credit Corpn Ltd	50	10	1
Olympia Capitals & Management Ltd	4300	10	1
Sanmac Motor Finance	2900	10	1
Shasun Finance Ltd	1000	10	1
Vertex Securities	800000	3	2400000
	3432260		14125601
DEBENTURES			
Deepak Fertilisers & Chem Ltd	50	10	692.5
Tata Elexi Ltd	50	10	1500
	100		2192.5
Total	3432360		14127794

As per our report of even date

For KUMBHAT & CO
Firm Registration Number : 001609S
Chartered Accountants

For on behalf of the board of directors of
Munoth Communication Ltd

Ajit Kumbhat
Partner
Membership Number : 19582
Place : Chennai
Date : 26/05/2012

Lalchand Munoth
[Chariman]

Jaswant Munoth
[Managing Director]

Bharat Munoth
[Director]



MUNOTH COMMUNICATION LIMITED

Cash Flow Statement for the year ended 31 March 2012

	Year ended 31 March 2012 Rs. in '000	Year ended 31 March 2011 Rs. in '000
Cash flow from operating activities		
Profit before tax from continuing operations	(7,657.60)	574.92
Profit before tax from discontinuing operations	-	-
Profit before tax	(7,657.60)	574.92
Net cash adjusted to reconcile profit before tax to net cash flow		
Depreciation/amortization from continuing operations	3,574.71	1,272.75
Loss/(profit) on sale of fixed assets	-	(5.14)
Amortization of ancillary cost	490.67	490.67
Net gain on sale of current investments	-	(729.92)
Preliminary expenses written off	695.00	695.00
Interest expense	2,228.84	533.02
Interest income	-	(452.94)
Dividend income	(136.24)	(248.97)
Operating profit before working capital changes	(804.61)	2,129.39
Movement in working capital:		
Increase/Decrease in Trade payables	(1,202.58)	-
Increase/Decrease in long-term provisions	-	-
Increase/Decrease in short-term provisions	160.00	-
Other long term liability	(20.00)	-
Increase/Decrease in other current liabilities	467.70	2,545.69
Increase/Decrease in trade receivables	(2,241.82)	-
Increase/Decrease in inventories	24,058.02	(30,602.08)
Increase/Decrease in long-term loans and advances	(3,874.50)	(1,900.40)
Increase/Decrease in short-term loans and advances	110.08	-
Increase/Decrease in other current assets	1,490.57	(15,270.68)
Increase/Decrease in other non-current assets	15,024.11	(1,349.57)
Cash generated from/(used in) operations	33,166.97	(44,447.65)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/(used in) operations activities (A)	33,166.97	(44,447.65)
Cash flow from investing activities		
Purchase of fixed assets including intangible assets, CWIP and capital advances	(1,437.79)	(12,009.38)
Proceeds from sale of fixed assets	-	12.00
Purchase of non-current investments	(2,690.00)	2,010.72
Purchase of current investments	(1,563.77)	-
Proceeds from sale/maturity of current investments	-	729.92
Interest received	-	452.94
Dividend received	136.24	248.97
Net cash flow from/(used in) investing activities (B)	(5,555.32)	(8,554.83)



MUNOTH COMMUNICATION LIMITED

Cash flow from Financing activities

Proceeds from long-term borrowings	-	1,669.41
Repayment of long-term borrowings	(210.59)	(244.84)
Proceeds from short-term borrowings	-	24,653.56
Repayment of short-term borrowings	(24,653.56)	-
Interest paid	(2,228.84)	(533.02)
Net cash flow from/(used in) Financing activities (C)	(27,092.99)	25,545.11
Increase/Decrease in cash and cash equivalents (A+B+C)	518.66	(27,457.37)
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents held at beginning of the year	233.54	27,690.93
Cash and cash equivalents held at end of the year	752.20	233.56
Components of cash and cash equivalents		
Cash on hand	59.92	45.46
Cheque/drafts on hand		
With Banks		
Savings account		
Current account	692.28	138.09
Deposits		50.00
Total cash and cash equivalents	752.20	233.54

Summary of Significant accounting policies

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

As per our report of even date

For KUMBHAT & CO

Firm Registration Number : 001609S
Chartered Accountants

For on behalf of the board of directors of
Munoth Communication Ltd

Ajit Kumbhat
Partner
Membership Number : 19582
Place : Chennai
Date : 26/05/2012

Lalchand Munoth
[Chariman]

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 2012 which is based on and in agreement with the audited accounts for the relevant financial year. According to the information and explanation given to us, the aforesaid Cash Flow Statement, prepared by the company, is in accordance with the requirements of Clause 32 of the Listing agreement with the Stock-Exchanges.

For **KUMBHAT & CO.,**
Chartered Accountants

(AJIT KUMBHAT)
Partner
M. No.19582

Place : Chennai
Date : 26/05/2012



MUNOTH COMMUNICATION LIMITED

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 Eighth Annual General Meeting of the Company to be held on Friday 31st August, 2012, at 10.00 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 2012.

Signature

Affix
1 Re.
Revenue
Stamp

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
28TH 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 Eighth Annual General meeting of the Company held on Friday 31st August, 2012, at 10.00 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.