




# Munoth Communication Limited

(Formerly Munoth Investments Ltd)

Regd Office : Munoth Centre, Suite No. 48 111rd Floor, 343, Triplicane High Road, Chennai - 600 005. INDIA  
Phone : 91-44-2859 1190 Fax : 91-44-2859 1189 E-mail : info@munothcommunication.com  
CIN : L65991TN1984PLC010816

## FORM A

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

1	Name of the Company	MUNOTH COMMUNICATION LIMITED
2	Annual Financial statements for the year ended	31 <sup>st</sup> March 2014
3	Type of Audit observation	Un- Qualified
4	Frequency of observation	Not Applicable
5	To be signed by	
	* Managing Director	For MUNOTH COMMUNICATION LIMITED  MANAGING DIRECTOR



# **Munoth Communication Limited**

**30<sup>th</sup> Annual Report 2013-2014**



## MUNOTH COMMUNICATION LIMITED

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**BOARD OF  
DIRECTORS**

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

**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.

**CIN**

L65991TN1984PLC010816



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## MUNOTH COMMUNICATION LIMITED

### MUNOTH COMMUNICATION LIMITED

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

CIN : L65991TN1984PLC010816

NOTICE is hereby given that the THIRTIETH Annual General Meeting of the Company will be held on Friday 19<sup>th</sup> September 2014 at 10:25 A.M at Nahar Hall (South India Hire Purchase Association), Desabandhu Plaza, 1<sup>st</sup> floor, 47, Whites Road, Royapettah, Chennai – 600 014 to transact the following business.

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial statements of the Company for the financial year ended March 31, 2014 including the audited Balance Sheet as on that date and the Statement of Profit and Loss for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Lalchand Munoth (DIN No: 01693640) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Bharat Munoth (DIN No.00769588) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. Appointment of Auditors

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

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Kumbhat & Associates, Chartered Accountants having Firm Registration no: 001609S be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty third AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, and out-of-pocket ,etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors

#### SPECIAL BUSINESS

5. To appoint Mr. Vikas Munoth (DIN : 00769366) as Director who holds office up to the date of this AGM and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vikas Munoth (DIN: 00769366) , who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director liable to retirement by rotation.”



## MUNOTH COMMUNICATION LIMITED

- 6.. To appoint Mr. C R Sasi (DIN No: 06752354) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**
- “RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. C R Sasi (DIN 06752354), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting , who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from September 19, 2014 to September 18, 2019.”
7. To appoint Mr. M Jayantilal Jain (DIN:01407484 as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as and **Ordinary Resolution:**
- “RESOLVED THAT pursuant of Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014( including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. M Jayantilal Jain (DIN NO: 01407484 ) a non executive Independent Director of the Company whose term of appointment is liable to retire by rotation, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years from 19<sup>th</sup> September 2014 to 18<sup>th</sup> September 2019.”
8. To appoint Mr. Manish Mardia (DIN : 00769665) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as and **Ordinary Resolution:**
- “RESOLVED THAT pursuant of Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014( including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Manish Mardia (DIN NO: 00769665) a non executive Independent Director of the Company whose term of appointment is liable to retire by rotation, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years from 19<sup>th</sup> September 2014 to 18<sup>th</sup> September 2019.”
9. To appoint Ms. Ranjani Padmanabhan (DIN : 01084695) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as and **Ordinary Resolution:**



## MUNOTH COMMUNICATION LIMITED

“RESOLVED THAT pursuant of Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014( including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement Ms. Ranjani Padmanabhan (DIN NO: 01084695 a non executive Independent Director of the Company whose term of appointment is liable to retire by rotation, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years from 19<sup>th</sup> September 2014 to 18<sup>th</sup> September 2019.”

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

Place : Chennai  
Date : 20/05/2014

**Lalchand Munoth**  
**Chairman**

### **NOTES:**

#### **EXPLANATORY STATEMENT**

The relevant explanatory statement pursuant to Sec 102 of the Companies Act, 2013 is annexed hereto

#### **APPOINTMENT OF PROXY**

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

#### **CLOSURE OF REGISTER OF MEMBERS:**

The Register of Members and the Share Transfer Books of the Company will remain closed from 18/09/2014 to 19/09/2014 (both days inclusive)

#### **CHANGE OF PARTICULARS:**

Members holding shares in dematerialised form are requested to intimate all particulars of mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such details to Cameo Corporate Services Ltd, “Subramaniam Building”, No.1, Club House Road, Chennai - 600 002



## MUNOTH COMMUNICATION LIMITED

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The Notice is being sent to all the members of the Company whose name appears in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (“NSDL”)/ Central Depository Services (India) Limited (“CDSL”) as on 14<sup>th</sup> August, 2014 (Cut-off date/Benpos date).

### **ATTENDANCE SLIP:**

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

### **DEMATERIALISATION OF SHARES:**

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

### **REQUEST TO MEMBERS:**

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

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

Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.

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

### **GREEN INITIATIVE**

In accordance with Green Initiative circular issued by Ministry of Corporate Affairs (MCA), members are requested to inform their current E-mail address in the following manner:

- For shares held in Electronic form: to their Depository Participant (DP).
- For shares held in Physical Form: to the Company or its Registrars and Share Transfer Agents (RTA). Cameo Corporate Services Ltd.





## MUNOTH COMMUNICATION LIMITED

In terms of the aforesaid Green Initiative circular of MCA, the Company is sending Annual Report and other communications/ documents required to be sent to its Members under Section 219 of the Companies Act, 1956 by E-mail to Members whose E-mail address is registered. In case your E-mail address is not registered with your Depository Participant/ the Company, a physical copy of the Annual Report and other communications/ documents will be sent to you. You can also change your instructions at any time hereafter and request the Company to send communications to you in physical form.

### VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

Voting Rights are reckoned on the basis of the shares registered in the names of the members/beneficial owners as on the record date fixed for this purpose i.e 14<sup>th</sup> August 2014

It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

#### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 13, 2014 at 9:00 A M and ends on September 15, 2014 at 6:00 P M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) August 14, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

#### For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.(Sequence number has been provided as Serial Number (SL NO.) in the Address Label</li></ul>
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## MUNOTH COMMUNICATION LIMITED

	<ul style="list-style-type: none"><li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"><li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## MUNOTH COMMUNICATION LIMITED

- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website [www.munothcommunication.com](http://www.munothcommunication.com) and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.

Mr. V Chandramowli, practicing Company Secretary has been appointed as scrutinizer for conducting the e-voting process in fair and transparent manner.

### **Particulars of Directors seeking appointment/ re- appointment as required under clause 49 of the Listing Agreement.**

The particulars in respect of Directors seeking appointment/ re-appointment in the forthcoming Annual General Meeting as required under clause 49 of the Listing Agreement, are available in the 'Board of Directors' section in the report on Corporate Governance in the Annual Report.

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

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

#### **Item No. 5**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Vikas Munoth as an Additional Director of the Company with effect from December 14, 2013.

In terms of the provisions of Section 161(1) of the Act, Mr. Vikas Munoth would hold office up to the date of the ensuing Annual General Meeting

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Vikas Munoth for the office of Director of the Company.

Mr. Vikas Munoth is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Brief resume of Mr. Vikas Munoth, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report



Other than the appointee, Mr. Lalchand Munoth, Mr. Jaswant Munoth, Mr. Bharat Munoth and their relatives none of the other Directors and key Managerial Personnel of the Company and their relatives are in any way, concerned or interested financially or otherwise in the Resolution set out in item No. 5 of notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders

**Item No: 6**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. C R Sasi as an Additional Director of the Company with effect from December 14, 2013.

In terms of the provisions of Section 161(1) of the Act, Mr. C R Sasi, would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. C R Sasi for the office of Director of the Company.

Mr. C R Sasi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

As per the Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. C R Sasi that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. C R Sasi possesses appropriate skills, experience and knowledge, *inter alia*, in the field of engineering and Technology..

In the opinion of the Board, Mr. C R Sasi fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement and he is independent of the management.

Brief resume of Mr. C R Sasi, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. C R Sasi is appointed as an Independent Director for **five (5) consecutive years from 19<sup>th</sup> September 2014 to 18<sup>th</sup> September 2019.**"

Copy of the draft letter for appointment of Mr. C R Sasi as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. C R Sasi and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.



## MUNOTH COMMUNICATION LIMITED

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The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders

### **Item No. 7 & 8**

Mr. M Jayantilal Jain and Mr. Manish Mardia are Non Executive Independent Directors of the Company and have held the positions as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company.

Keeping in view of their vast expertise and knowledge, it will be in the interest of the Company that Mr. M Jayantilal Jain and Mr. Manish Mardia are appointed as an Independent Director for five (5) consecutive years from 19<sup>th</sup> September 2014 to 18<sup>th</sup> September 2019."

Mr. M Jayantilal Jain and Mr. Manish Mardia are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. M Jayantilal Jain and Mr. Manish Mardia for the office of Directors of the Company.

The Company has also received declarations from Mr. M Jayantilal Jain and Mr. Manish Mardia that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. M Jayantilal Jain and Mr. Manish Mardia fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and they are Independent of Management.

Brief resume of Mr. M Jayantilal Jain and Mr. Manish Mardia, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. M Jayantilal Jain and Mr. Manish Mardia as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. M Jayantilal Jain and Mr. Manish Mardia are interested in the resolutions set out respectively at Item Nos. 7 and 8 of the Notice with regard to their respective appointments.

Mr. M Jayantilal Jain and his relatives and Mr. Manish Mardia and his relatives may be deemed to be interested in the resolutions set out respectively at Item Nos. 7 and 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolutions set out at item Nos 7 & 8 of the Notice for approval by the shareholders.



**Item No: 9**

Ms. Ranjani Padmanabhan is a Non Executive Independent Directors of the Company and had held the positions as such for more than 5 (five) years..

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman director.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Ranjani Padmanabhan for the office of Director of the Company.

Ms. Ranjani Padmanabhan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received a declaration from Ms. Ranjani Padmanabhan that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement and they are independent of management.

In the opinion of the Board, Ms. Ranjani Padmanabhan fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement and she is independent of the management.

Brief resume of Ms. Ranjani Padmanabhan, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Ms. Ranjani Padmanabhan is appointed as an Independent Director for 5 (Five) consecutive years **for five (5) consecutive years from 19<sup>th</sup> September 2014 to 18<sup>th</sup> September 2019.**"

Copy of the draft letter for appointment of Ms. Ranjani Padmanabhan as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Ms. Ranjani Padmanabhan and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

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

**Lalchand Munoth**  
**Chairman**

Place : Chennai  
Date : 20/05/2014



**DIRECTORS' REPORT**

**TO THE MEMBERS:**

Your Directors have pleasure in presenting their Thirtieth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2014

**FINANCIAL RESULTS:**

Particulars	2013-2014 Rs.In '000	2012-2013 Rs. in '000
Revenue from operations	67.36	88.72
EBITDA	(6632.43)	(4161.62)
Less: Depreciation and amortization	2930.34	3206.49
Finance cost	93.62	121.62
<b>Profit / (Loss) before Tax</b>	<b>(9656.39)</b>	<b>(7489.73)</b>
Less: Tax expenses	3955.51	-
<b>Profit / (Loss) after tax</b>	<b>(13611.90)</b>	<b>(7489.73)</b>

**REVIEW OF BUSINESS OPERATIONS:**

The Company has designed mobile phone accessories like Chargers, Adopters, Power bank, Pen drive and have refined 5.5 design house based out of Paris, France and Sohamsaa Systems Pvt. Ltd based out of Bangalore, India for designing. The Company made prototype of the charger and is in final stage before mass production. The product would get launched in the 3<sup>rd</sup> quarter of the current financial year under the brand 'VG'. The Company has also applied three patents for Socket Charger, Hybrid Charger, Normal & fast charger with switch.

The Company filed civil and criminal cases against Kingtech Electronics (India) Pvt Ltd for money recovery. Madras High Court on 23<sup>rd</sup> July 2013 allowed the application No.3060/2012 made by MCL against Kingtech Electronics (India) Pvt Ltd and order restrains Ganishee HSBC Bank Ltd from making payment to Kingtech Electronics (India) Pvt Ltd to be extent of suit claim amounting to Rs.51,38,776/-.

The Company has also made a claim of Rs. 2,28,22,324/- towards damage.

With respect to its own brand 'MUNOTH' the Company is exploring the possibility of re launching Senior Citizen phone and other application based phones

**FUTURE PROSPECTS:**

Mobile accessories market in India does not have a single brand which makes all accessories. The Company's brand "VG" would be one of the early mover advantage. The Company will use direct sales and sales through internet route to sell all mobile phone accessories.

The Company will continue to work on senior citizen phone in both hardware and software segment. It is planning to develop a senior citizen application on different operating system



## MUNOTH COMMUNICATION LIMITED

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### **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. Bharat Munoth and Mr. Lalchand Munoth retires by rotation at the forthcoming Annual General Meeting and both being eligible offers themselves for re-appointment.

Mr. Vikas Munoth has been appointed as an Additional Director of the Company with effect from December 14, 2013. He is proposed to be appointed as Director at the ensuing Annual General Meeting liable to retire by rotation.

Mr. C R Sasi has been appointed as an Additional Director of the Company with effect from December 14 2013. He is proposed to be appointed as Independent Director at the ensuing Annual General Meeting for a term of 5 consecutive years from the date of the ensuing Annual General Meeting as required under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Three of the existing directors namely Mr. M Jayantilal Jain, Mr. Manish Mardia and Ms. Ranjani Padmanabhan have been selected for appointment as Independent Directors for a term of 5 consecutive years from the date of the ensuing Annual General Meeting subject to the approval of shareholders, as required under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the close of the financial year ended 31<sup>st</sup> March 2014 and of the Profit/Loss of the company for the year ended 31st March 2014.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.

### **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 86.43% 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.





## MUNOTH COMMUNICATION LIMITED

### **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.

### **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 : 20/05/2014

**LALCHAND MUNOTH**  
CHAIRMAN



REPORT ON CORPORATE GOVERNANCE 2013-2014

**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 transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long term shareholder value without compromising on integrity, social obligations and regulatory compliances.

**2. Board of Directors**

**2.1 Composition**

The Board consists of 8 members; of whom 4 are Executive and 4 are Independent Directors.

**2.2 Board Procedures**

Dates for the board meetings were decided well in advance. The board meetings are held at the registered office of the Company. Six Board meetings were held on April 15, 2013, May 29, 2013, July 31, 2013, October 28, 2013, January 29, 2014 and March 31, 2014 during the year ended March 31, 2014

**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)	6	yes	1	2	1
Mr. Jaswant Munoth (Managing Director)	6	yes	1	2	1
Mr. Bharat Munoth (Director)	6	yes	1	2	-
Mr. Manish Mardia	6	Yes		1	1
Mrs Ranjani Padmanabhan	6	Yes		2	1
Mr. M Jayantilal Jain	6	Yes	1		4
Mr. Vikas Munoth	2*	Yes#	1	1	-
Mr. C R Sasi	2*	No	-	-	-

#### 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.
- \*# Mr. Vikas Munoth and Mr. C R Sasi were appointed as Additional Directors on the meeting of Board of Directors held by circulation on December 14, 2013 and Mr. Vikas Munoth attended the AGM of the Company as Member

### 2.5 Non executive directors' compensation and disclosures

The Company does not have any pecuniary relationship/transactions other than the payment of sitting fees, if any 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.



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

Mr. Lalchand Munoth is retiring by rotation at his Annual General Meeting and being eligible offers himself for reappointment. Mr. Lalchand Munoth, aged 75 years holds a Bachelor Degree in Arts from the Mysore University. He is a senior member of the board and a guiding figure for the Company. His stature in the industry and array of corporate relationships are valuable for the Company. He is the architect behind several successful finance & investment companies and has vast experience in the finance field. He is the director of the Company since 1984. He is also director of Munoth Financial Services Limited, Misrimal Navajee Estates Private Limited formerly Jaswant Estates Private Limited, Munoth Industries Limited, Munoth Bioscience Limited and South India Chemicals and Leasing Private Limited.

Mr. Bharat Munoth is retiring by rotation at this Annual General Meeting and being eligible offers himself for reappointment. Mr. Bharat Munoth, aged 44 years is a commerce graduate and he has extensive knowledge and experience in the field of finance and investments. He is the director of the company since 1992. He is also the director of Munoth Financial Services Limited, Munoth Industries Limited, Munoth Bioscience Limited, South India chemicals and Leasing Private Limited, Maharana Finance and Investments Private Limited and Shankeswar Finance and Investments Private Limited.

Mr. Vikas Munoth was appointed as an additional Director on December 14, 2013 and he is proposed to be appointed as Director at the ensuing Annual General Meeting liable to retire by rotation. Mr. Vikas Munoth, aged 37 years is a graduate in Commerce and has Masters Degree in Business Administration. He is CFA with specialization in Finance and Marketing and has a extensive knowledge in the field of Telecommunications. He is also director of Munoth Financial Services Limited and Munoth Industries Limited.

Mr. M Jayantilal Jain, was appointed to the Board in the year 2009 and he has been an independent director of the Company in terms of Clause 49 of the Listing Agreement. He is proposed to be appointed as Independent Director under Section 149 of the Companies Act, 2013 for a term of 5 consecutive years from the date of the ensuing Annual General Meeting and his appointment is subject to the approval of shareholders in the ensuing Annual General Meeting. He is aged about 50 years and 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 Chairman of Investor Grievance Committee and member of Audit and Remuneration constituted by the Board of Directors of the Company. He is also director of Munoth Financial Services Limited and JN Securities Private Limited.

Mr. Manish Mardia, was appointed to the Board in the year 2001 and he has been an independent director of the Company in terms of Clause 49 of the Listing Agreement. He is proposed to be appointed as Independent Director under Section 149 of the Companies Act, 2013 for a term of 5 consecutive years from the date of the ensuing Annual General Meeting and his appointment is subject to the approval of shareholders in the ensuing Annual General Meeting. Mr. Manish Mardia, aged 43 years is a practicing Chartered Accountant and also holds a Master degree in Business Administration. He has specialized in the area of the Company Audits and taxation, He is the



## MUNOTH COMMUNICATION LIMITED

Chairman of Audit and Remuneration Committee constituted by the Board of Directors of the Company. He is also the Director of Munoth Industries Limited.

Ms. Ranjani Padmanabhan, was appointed to the Board in the year 2001 and she has been an independent director of the Company in terms of Clause 49 of the Listing Agreement. She is proposed to be appointed as Woman Independent Director under Section 149 of the Companies Act, 2013 for a term of 5 consecutive years from the date of the ensuing Annual General Meeting and her appointment is subject to the approval of shareholders in the ensuing Annual General Meeting. Ms. Ranjani Padmanabhan aged 60 years is a commerce graduate and she has extensive knowledge and experience in the field of finance, administration and marketing. She has been the director of the company since 2001. She is also the member of the remuneration committee and Audit committee constituted by the Board of Directors of the Company. She is also the director of Munoth Industries Limited and CFORE Telecom Limited.

Mr. C R Sasi has been appointed as an Additional Director of the Company with effect from December 14 2013. He is proposed to be appointed as Independent Director at the ensuing Annual General Meeting for a term of 5 consecutive years from the date of the ensuing Annual General Meeting as required under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Mr. C R Sasi, aged 73 years is a Chartered Engineer with B.E (Hons) from Telecom College of Engineering Guindy and has qualified from Indian Engineering Service. He has also got PG Certification in Production Management, Financial Management & Export Marketing. He is a Life Fellow IE (India), Life Fellow IETE and Life Senior Member IEEE (USA). He has worked in many innovative projects during the past 50 years of professional activity. He has formerly served in Ministry of Information & Broadcasting, Department of Technical Education (TN), Binny & HHE. He has also been Chairman of IEEE Madras Section, Vice Chairman IEEE India Council and founder Secretary IEEE Engineering Management & Industry Application Society Chapter and president Alumni Association College of Engineering, Guindy. He is currently acting as Accredited Referee (Entrepreneurship)- Stanford Graduate Business school, Key Mentor (Accredited by City & Guilds UK)- BYST (Entrepreneurship & Project Finance), Member Governing Council (Nominee of State Government) in MNM Jain Engineering College, Consultant for Product Development & Projects and Mentor and Trainer in Innovation & Entrepreneurship Development Learning & Teaching Techniques and Microteaching.

### 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 29, 2013, July 31, 2013, October 28, 2013 and January 29, 2014.

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



**3.3 Brief Term of reference :**

The terms of reference of the Audit Committee are extensive and include all that is mandated in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. Apart from overseeing and monitoring the financial reporting system within the company and considering the un-audited and audited results for the relevant quarter and the year as the case may be, before being adopted by the Board, the audit committee 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
- 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 one meeting held on the financial year on May 29, 2013 .

Name of the Director	Status	No. of Meetings attended
Mr. Manish Mardia	Chairman	1
Mr. M Jayantilal Jain	Member	1
Ms Ranjani Padmanaban	Member	1

**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



## MUNOTH COMMUNICATION LIMITED

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 31.03.2014 is as follows and the Company has transferred 75% of the remuneration payable to the Managing Director for the new project development of Mobile accessories.

	Rs. in Lakh
Salary	3.75
Commission -Perquisites & other allowances	-
Total	<u>3.75</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 2000. This Committee specifically looks into the Shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report etc., In addition, the Committee also looks into matters that can facilitate better investor services and relations.

The committee consists of the following Directors:

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

#### 5.2 Investors' Grievance Committee Attendance and Topics discussed

The committee met 6 times on the following dates: May 10, 2013 , July 31, 2013 , August 20, 2013, October 28, 2013, January 29, 2014 and March 31, 2014.

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

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

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

### 6. General Body Meetings:

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

Year	Location	Date	Time
2010-2011	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	23 <sup>rd</sup> August 2011	10.30 A M



**MUNOTH COMMUNICATION LIMITED**

Year	Location	Date	Time
2011-2012	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	31 <sup>st</sup> August 2012	9.45 A M
2012-2013	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	14 <sup>th</sup> August 2013	10.00 A M

There was one special resolution passed during the last financial year through postal ballot and there is no special resolution that is passed through postal ballot in the last financial year 2013-14.

**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 report is a part of Annual Report: 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
- Website of the Company: [www.munothcommunication.com](http://www.munothcommunication.com)

**9. General Shareholder information:**

<b>1</b>	<b>Annual General Meeting</b>	Friday September 19, 2014 at 10. 25 AM at Nahar Hall Desabandhu Plaza, I Floor, 47, Whites Road, Royapettah, Chennai - 600 014
<b>b)</b>	<b>Financial Calendar:</b>	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
<b>c)</b>	<b>Dates of Book Closure</b>	<b>September 18, 2014 to September 19, 2014 (Both days inclusive)</b>





## MUNOTH COMMUNICATION LIMITED

d)	<b>Dividend Payment Date</b>	Not applicable												
e)	<b>Listing on Stock Exchanges and Stock Code</b>	<table border="0"> <tr> <td>Name</td> <td>Address</td> <td>code</td> </tr> <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> </table> <p>Listing fees to all the stock exchanges for the financial year 2014-2015 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)	<b>International Securities Identifiatiion Number (ISIN)</b>	<b>INE410E01015 (CDSL &amp; NSDL)</b>												

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

Month	High	Low Price
Apr 13	7.00	7.00
Oct 13	7.35	6.02
Dec 13	5.72	5.50
Mar 14	5.23	5.23

- 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 31<sup>st</sup> March 2014, 86.43 % 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, 2014 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, 2014**

Shareholding of nominal value of	Shareholders		Shareholding		
	Rs. [1]	Number [2]	% to Total Nos. [3]	In Rs. [4]	% to Total Amount [5]
10-5000		2219	82.6140	3406650	3.5304
5001-10000		174	6.4780	1379470	1.4295
10001-20000		125	4.6537	1947630	2.0183
20001-30000		59	2.1965	1524880	1.5802
30001-40000		13	0.4839	456300	0.4728
40001-50000		18	0.6701	861400	0.8926
50001-100000		29	1.0796	2036660	2.1106
100000 AND ABOVE		49	1.8242	84881010	87.9656
<b>TOTAL</b>		<b>2686</b>	<b>100.000</b>	<b>96494000</b>	<b>100.00</b>

**i) Categories of shareholders as on March 31, 2014**

	CATEGORY	No. of shares held	Percentage of shareholding
<b>A.</b>	<b>Promoter's holding</b>		
<b>1.</b>	<b>Promoters*</b>		
	Indian Promoters	28,42,087	29.45
	Foreign Promoters	NIL	NIL
<b>2.</b>	<b>Persons acting in concert #</b>	<b>NIL</b>	<b>NIL</b>
	<b>Sub- Total</b>	<b>28,42,087</b>	<b>29.45</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
<b>3.</b>	<b>Institutional Investors</b>		
	a. Mutual Funds and UTI		
	b. Banks, Financial Institutions, Insurance Companies [central/State Govt. Institutions/ Non-Government Institutions]	3,00,000	3.11
	c. FIs	11,625	0.12
	<b>Sub- Total</b>	<b>3,11,625</b>	<b>3.23</b>
<b>4.</b>	<b>Others</b>		
	a. Private Corporate Bodies	6,76,733	7.01
	b. Indian Public	15,18,467	15.75
	C NRIs/OCBs	13,00,488	13.47
	d <b>Foreign Nationals</b>	30,00,000	31.09
	<b>Sub- Total</b>	<b>64,95,688</b>	<b>67.32</b>
	<b>Grand Total</b>	<b>96,49,400</b>	<b>100.00</b>



**B. Non-Mandatory Requirements**

**1. Chairman of the Board:**

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

**2. Remuneration Committee:**

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

**3. Shareholders Rights:**

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

**4. Postal Ballot:**

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

**5. Whistle Blower Policy:**

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

**On behalf of the Board of Directors**

Chennai  
May 20, 2014

**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 IT and telecom equipments including mobile accessories.. With elevating popularity for smartphones and other mobile devices in the country, there is also increasing demand for mobile accessories. The size of the market for mobile accessories is about Rs 1,500 crore, according to industry estimates. With Government incentives to promote large scale manufacturing in India, this is the best time for mobile phone accessory companies to establish manufacturing units in India.

**2. Segment Wise Performance:**

The company is currently operating in a single segment i.e selling and distribution of mobile phones and accessories.

**3. Future Plans and Outlook:**

Mobile accessories market in India does not have a single brand which makes all accessories. The Company's brand "VG" would be one of the early mover advantage. The Company will use direct sales and sales through internet route to sell all mobile phone accessories.

The Company will continue to work on senior citizen phone in both hardware and software segment. It is planning to develop a senior citizen application on different operating system

**4. Business operations**

The Company has made revenue of operations of Rs. 67.36 (in '000) in the financial year as compared to Rs. 88.72 (in '000) last year . The Company has designed mobile phone accessories



like Chargers, Adopters, Power bank, Pen drive and have refined 5.5 design house based out of Paris, France and Sohamsaa Systems Pvt. Ltd based out of Bangalore, India for designing. The Company made prototype of the charger and is in final stage before mass production. The product would get launched in the 3<sup>rd</sup> quarter of the current financial year under the brand 'VG'. The Company has also applied three patents for Socket Charger, Hybrid Charger, Normal & fast charger with switch.

The Company filed civil and criminal cases against Kingtech Electronics (India) Pvt Ltd for money recovery. Madras High Court on 23<sup>rd</sup> July 2013 allowed the application No.3060/2012 made by MCL against Kingtech Electronics (India) Pvt Ltd and order restrains Ganishee HSBC Bank Ltd from making payment to Kingtech Electronics (India) Pvt Ltd to be extent of suit claim amounting to Rs.51,38,776/-.

The Company has also made a claim of Rs. 2,28,22,324/- towards damage.

With respect to its own brand 'MUNOTH' the Company is exploring the possibility of re launching Senior Citizen phone and other application based phones

**5. Strength and Weakness**

The demand for handset market is huge and the government support to domestic manufacturing industry will strengthen the industry. Mobile device adoption amongst youth population in the country and continual decline of prices of mobile phones, smart phones and tablets are the impetus to the growth of mobile accessory market in India. Online retailing also plays a big part. It offers the convenience of cash-on-delivery payment option and cheaper offers for various products as compared to physical stores.

The mobile handset industry is facing problems relating to high service cost, expensive infrastructure and government regulations. There is a huge disparity in the mobile accessory market with several players competing for market share owing to Chinese manufacturing infrastructure

**6. Opportunities and Threats:**

Mobile accessories are also considered a style statement today and brands are focusing on making them trendy and attractive and there is no single brand available in India which manufactures all mobile phone accessories.

Low-cost manufacturing and parallel imports have led to the advent of a huge unorganised market, the size of which is estimated at about 60 per cent.

**7. Outlook, Risks and Concern:**

Rise in disposable income has revolutionized customers buying and spending trend, especially in the urban areas. Mobile device adoption amongst youth population in the country and their spending patterns provide strong stimulus for growth in adoption,

Smart phone and tablet adoption in rural areas is still low largely due to budgetary constraint and low adaptability to complicated devices. More of India's population resides in rural areas and majority of the wireless consumers there use only basic mobile phones, In such as situation, mobile accessory companies have to be largely dependent on the urban and suburban consumption.

**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

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### 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 31<sup>st</sup> March 2014, 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.

Place : Chennai  
Date : 20/05/2014

**For KUMBHAT & Co.**  
Chartered Accountants  
FRN. : 001609S  
**(AJIT KUMBHAT)**  
Partner  
M.No. 19582

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### 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 2014 compliance with the code of conduct of the company laid down for them.

Date : 20/05/2014  
Place : Chennai

**Jaswant Munoth**  
Managing Director

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## MUNOTH COMMUNICATION LIMITED

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### 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 2014 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 : 20/05/2014

Place : Chennai.

**Jaswant Munoth**  
**Managing Director**

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**Independent Auditor's Report**

**To the Members of Munoth Communication Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Munoth Communication Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of the underlying financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the LOSS for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



## MUNOTH COMMUNICATION LIMITED

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2. As required by section 227(3) of the Act, 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 purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and CashFlow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

**Ajit Kumbhat**  
Partner

Place : Chennai  
Date : 20/05/2014

Membership No : 019582





**Annexure to the Auditors' Report**

The Annexure referred to in our report to the members of Munoth Communication Limited ('the Company') for the year ended 31<sup>st</sup> March, 2014. We report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no substantial fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.  
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f)&(g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct anyweaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.



## MUNOTH COMMUNICATION LIMITED

7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act are not applicable to the Company.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2014 for a period of more than six months from the date they became payable, except for Lease tax payable at Rs.93853/-.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company has accumulated loss and has incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.



## MUNOTH COMMUNICATION LIMITED

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19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

**Ajit Kumbhat**  
Partner

Place : Chennai  
Date : 20/05/2014

Membership No : 019582



## MUNOTH COMMUNICATION LIMITED

### BALANCE SHEET AS ON 31 MARCH 2014

Equity and Liabilities	Notes	As at 31st March 2014 Rs. In '000	As at 31st March 2013 Rs. In '000
<b>Shareholders' Fund</b>			
Share capital	1	99,513.43	99,513.43
Reserves and surplus	2	21,125.82	34,943.88
		<b>120,639.25</b>	<b>134,457.31</b>
<b>Non Current Liabilities</b>			
Long-term borrowings	3	763.94	1,004.70
Other long-term liabilities	4	109.60	109.60
		<b>873.54</b>	<b>1,114.30</b>
<b>Current Liabilities</b>			
Short-term provisions	5	1,536.80	1,413.85
Trade payables	6d	54.00	1,344.87
Other current liabilities	6	748.29	595.59
		<b>2,339.09</b>	<b>3,354.31</b>
<b>Total</b>		<b>123,851.88</b>	<b>138,925.92</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	7	37,821.28	39,060.25
Expenses Under Construction	7.3	2,517.26	-
Intangible assets	7.1	-	1,897.54
Intangible assets under Development	7.2	-	-
Non-current Investments	8	49,351.50	56,990.02
Deferred tax assets (net)	9	-	3,955.34
Long-term loans and advances	10	16,049.50	16,419.50
Other non-current assets	11.2	9,142.97	7,043.97
		<b>114,882.51</b>	<b>125,366.62</b>
<b>Current Assets</b>			
Inventories	12	3,421.98	3,595.06
Trade receivables	11.1	4,537.83	7,611.67
Cash and bank balances	13	1,009.55	121.62
Other current assets	11.2	-	2,231.00
		<b>8,969.36</b>	<b>13,559.35</b>
<b>Total</b>		<b>123,851.88</b>	<b>138,925.92</b>

Summary of Significant accounting policies 22

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 : 20/05/2014

Lalchand Munoth  
[Chariman]

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]



## MUNOTH COMMUNICATION LIMITED

### Statement of Profit and Loss for the year ended 31 March 2014

<b>Continuing Operations</b>	<b>Notes</b>	<b>Year ended 31st March 2014 Rs. In '000</b>	<b>Year ended 31st March 2013 Rs. In '000</b>
Revenue from operations	14	67.36	88.72
Other income	15	(3,710.67)	3,662.52
<b>Total revenue (I)</b>		<b>(3,643.31)</b>	<b>3,751.24</b>
<b>Expenses</b>			
Increase/decrease in inventories of Traded goods		-	1,193.13
Increase/decrease in inventories of finished goods	16	173.07	-
Employee benefit expenses	17	458.00	2,950.49
Other expenses	18	2,358.04	3,769.23
<b>Total (II)</b>		<b>2,989.11</b>	<b>7,912.86</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)</b>		<b>(6,632.43)</b>	<b>(4,161.62)</b>
Depreciation and amortisation expenses	19	3,136.50	3,207.05
Less : Recoupment from revaluation reserves		(206.16)	(0.56)
Finance Cost	20	93.62	121.62
<b>Profit/(Loss) before Tax</b>		<b>(9,656.39)</b>	<b>(7,489.73)</b>
Deferred tax asset written off		3,955.51	-
<b>Tax expenses</b>			
Current Tax		-	-
Deferred Tax	9	-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) for the year from continuing operations(A)</b>		<b>(13,611.90)</b>	<b>(7,489.73)</b>
<b>Discontinuing Operations</b>			
Profit/(loss) before tax from discontinuing operations		-	-
Tax expenses of discontinuing operations		-	-
<b>Profit/(loss) after tax from discontinuing operations(B)</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the year (A+B)</b>		<b>(13,611.90)</b>	<b>(7,489.73)</b>
<b>Earnings per equity share [nominal value of share Rs.10]</b>	<b>21</b>		
<b>Basic Face value Rs.</b>			
Computation on the basis of profit from continuing operations	10.00	(1.41)	(0.78)
Computation on the basis of total profit for the year	10.00	(1.41)	(0.78)
<b>Diluted</b>			
Computation on the basis of profit from continuing operations	10.00	(1.41)	(0.78)
Computation on the basis of total profit for the year	10.00	(1.41)	(0.78)
Summary of Significant accounting policies	2 2		

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 : 20/05/2014

Lalchand Munoth  
[Chariman]

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]



## MUNOTH COMMUNICATION LIMITED

### Notes to financial statement for the year ended 31 March 2014

<b>1 Share capital</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Authorised Share Capital</b>		
12000000 number of Equity shares of Rs.10/- each	120,000.00	120,000.00
<b>Issued, Subscribed and Fully Paid up Share Capital:</b>	96,494.00	96,494.00
9649400 number of Equity shares of Rs.10/- each		
<b>Total issued, subscribed and fully paid up share capital</b>	<b><u>96,494.00</u></b>	<b><u>96,494.00</u></b>
<b>a. Reconciliation of share outstanding at the beginning and at the end of the reporting period</b>		
<b>Equity shares</b>		
	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>No of shares</b>	<b>Rs. In '000</b>
	<b>No of shares</b>	<b>Rs. In '000</b>
At the beginning of the period	96,494.00	964,940.00
Outstanding at the end of the period	<b><u>96,494.00</u></b>	<b><u>964,940.00</u></b>
<b>b. Shares held by holding/ultimate holding company and /or their subsidiaries /associates</b>		
	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Shares held by holding/ultimate holding company and /or their subsidiaries /associates	-	-
<b>b Details of shareholders holding more than 5% shares in the company</b>		
<b>Name of the shareholder</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>No of shares</b>	<b>% of holding</b>
	<b>No of shares</b>	<b>% of holding</b>
South India Chemicals & Leasing Pvt Ltd	1,212,500	13%
Chip K Lim	1,000,000	10%
Feng Pat Se	1,000,000	10%
Lee Foo San	1,000,000	10%
Victor Raj	1,000,000	10%
Munoth Financial Services Ltd	689,000	7%
<b>c No of shares Forfeited :</b>	350600	350600
Amount originally paid up(Rs. in '000)	3019.43	3019.43
<b>2 Reserves and surplus</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Securities premium account</b>		
Balance as per last financial statement	56,104.08	56,104.08
<b>Revaluation reserve</b>		
Balance as per last financial statement	28,682.10	-
Add: Additions during the year	-	28,682.67
Less: Transferred to Profit and Loss Account (Refer Note No.8)	(206.16)	(0.56)
<b>Closing balance</b>	<b><u>84,580.02</u></b>	<b><u>84,786.18</u></b>
<b>General Reserve</b>		
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statement	(49,842.31)	(42,352.58)
Profit for the year	(13,611.90)	(7,489.73)
<b>Net surplus in the statement of profit and loss</b>	<b><u>(63,454.21)</u></b>	<b><u>(49,842.31)</u></b>
<b>Total reserve and surplus</b>	<b><u>21,125.82</u></b>	<b><u>34,943.88</u></b>



## MUNOTH COMMUNICATION LIMITED

3 Long- term borrowings	Non- current portion		Current maturities	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Term loans</b>				
From financial institutions (secured)				
BMW Financial Services Ltd (Secured Against Company's Car, repayable over 84 months)	1,015.24	1,004.70	-	241.00
<b>Other loans and advance</b>	-	-	-	-
	<u>1,015.24</u>	<u>1,004.70</u>	<u>-</u>	<u>241.00</u>
<b>4 Other Long Term liabilities</b>		<b>31 March 2014</b>		<b>31 March 2013</b>
		<b>Rs. '000</b>		<b>Rs. '000</b>
Others				
Rental Deposits		109.60		109.60
		<u>109.60</u>		<u>109.60</u>
<b>5 Provisions</b>		<b>Long-term</b>		<b>Short-term</b>
	<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
Provision for post employment benefits	-	-	1,390	1,320.00
Provision for lease tax payable	-	-	93.85	93.85
Provisions for doubtful debts	-	-	-	-
Provision for Service tax (Reverse Charge)	-	-	52.94	-
	<u>-</u>	<u>-</u>	<u>1,536.80</u>	<u>1,413.85</u>
<b>6 Other current liabilities</b>		<b>31 March 2014</b>		<b>31 March 2013</b>
		<b>Rs. '000</b>		<b>Rs. '000</b>
a Current maturities of long term borrowings (refer note 3)		251.30		241.00
b Indian Bank Overdraft		-		53.97
c Due to Micro Small and Medium Enterprises		-		-
d Trade payables		54.00		1,344.87
e <b>Other payables</b>				
Statutory dues		95.03		106.18
Outstanding Expenses		101.96		194.44
Advance for sale of property		300.00		-
		<u>748.29</u>		<u>595.59</u>

**NOTES - 7 FIXED ASSETS**

(Rs.)



	Rate of Dep	GROSS BLOCK						DEPRECIATION				NET BLOCK		
		As on 1.04.2013	Addition		Revaluation	Deletion	Total	As on 1.4.2013	For the Year	On Revaluation	Withdrawal	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
			Before Sep	After Sep										
Land		26,699.50	-	-	-	-	26,699.50	-	-	-	-	-	26,699.50	26,699.50
Building	5 %	10,560.13	-	-	-	-	10,560.13	1,778.50	232.92	206.16	-	2,217.58	8,342.55	8,781.63
Plant & Equipment	13.91%	1,857.90	-	-	-	-	1,857.90	1,332.04	73.15	-	-	1,405.19	452.72	525.86
Furniture & Fittings	18.10%	4,715.67	-	-	-	-	4,715.67	3,530.28	214.56	-	-	3,744.84	970.84	1,185.40
Vehicles	25.89%	4,731.01	-	-	-	-	4,731.01	3,065.79	431.13	-	-	3,496.92	1,234.10	1,665.22
Computers & Softwares	40%	2,595.61	-	-	-	-	2,595.61	2,392.98	81.05	-	-	2,474.03	121.58	202.63
		<b>51,159.82</b>	-	-	-	-	<b>51,159.82</b>	<b>12,099.59</b>	<b>1,032.81</b>	<b>206.16</b>	-	<b>13,338.55</b>	<b>37,821.28</b>	<b>39,060.25</b>

**NOTE 7.1 FIXED ASSETS (INTANGIBLE)**

(Rs.)

	Rate of Dep	GROSS BLOCK						DEPRECIATION				NET BLOCK		
		As on 1.04.2013	Addition		Revaluation	Deletion	Total	As on 1.4.2013	For the Year	On Revaluation	Withdrawal	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
			Before Sep	After Sep										
Senior Citizen Mobile Software		5,692.63	-	-	-	-	5,692.63	1,897.54	1,897.54	-	-	3,795.08	-	1,897.54
		<b>5,692.63</b>	-	-	-	-	<b>5,692.63</b>	<b>1,897.54</b>	<b>1,897.54</b>	-	-	<b>3,795.08</b>	-	<b>1,897.54</b>

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**7.3**

Schedule For Expenditure under construction	31 March 2014 Rs. '000	31 March 2013 Rs. '000
Mobile Accessories Project		
Expenses Pending Capitalisation (Opening Balance)	-	-
<b>Add: Expenditure For the Period</b>		
Fixed Assets		
-Design & Development expenses	428.34	
Work Under Process		
-Employee Cost	873.65	
-Administrative cost	296.17	
Expenditure Under Construction		
-Employee Cost	137.50	
-Administrative cost	485.14	
-Travelling Expenses	243.51	
-Others	52.94	
<b>Expenses Pending Capitalisation (Closing Balance)</b>	<b>2,517.26</b>	<b>-</b>





8 Non Current Investments

31 March 2014  
Rs. '000

31 March 2013  
Rs. '000

Names of the Body Corporate In Equited shares of Indian Companies	2013-14				2012-13			
	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
<b>A) company under the same management</b>								
Munoth Financial Services Ltd ( Market value Rs. 188.9 lacs Previous year Rs 203.7 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 P Ltd - unquoted	96,300.00	737.07	-	737.07	87,800.00	737.07	-	737.07
Munoth Industries Ltd-unquoted	380,800.00	3,125.00	-	3,125.00	380,800.00	3,125.00	-	3,125.00
<b>B) Others</b>								
<b>i) Quoted</b>								
a) E-Matals Limited (Formerly known as Daudayal Finvest limited)	28,000.00	-	-	-	28,000.00	1,035.00	1,035.00	-
Tatia Stock & Options Ltd Now merged with Tatia Global Ventures Ltd	620,000.00	5,396.80	-	5,396.80	620,000.00	7,466.80	2,070.00	5,396.80
b) Others*	3,015,958.00	15,344.34	4.00	15,340.34	3,052,325.00	22,978.86	-	22,978.86
<b>ii) Unquoted</b>								
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
Sofcom system limited	347,500.00	3,475.00	-	3,475.00	347,500.00	3,475.00	-	3,475.00
	<b>6,599,758.00</b>	<b>49,355.50</b>	<b>4.00</b>	<b>49,351.50</b>	<b>6,627,625.00</b>	<b>60,095.02</b>	<b>3,105.00</b>	<b>56,990.02</b>



**8.1 Investment -quoted -others\***

**31 March 2014  
Rs. '000**

**31 March 2013  
Rs. '000**

Name of the Body Corporate	2013-14				2012-13			
	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
Colgate Palmolive	100.00	25.00	-	25.00	100.00	25.00	-	25.00
Computer Power (I) Ltd	-	-	-	-	-	-	-	-
DLF Limited	2,000.00	-	-	-	2,000.00	-	-	-
EBF Finance LTd	-	-	-	-	-	-	-	-
Elforge Ltd	700.00	7.00	-	7.00	700.00	7.00	-	7.00
Epsom Properties Ltd	12,820.00	-	-	-	12,820.00	-	-	-
Grandlease flex LTd	-	-	-	-	-	-	-	-
Gujaratinject LTd	-	-	-	-	-	-	-	-
Jaiprakash industries LTd	125.00	19.00	-	19.00	125.00	19.00	-	19.00
Kirloskar brothers Ltd	20.00	6.00	-	6.00	20.00	6.00	-	6.00
Life line inject LTd	400.00	4.00	4.00	-	400.00	4.00	-	4.00
Phoneix international Ltd	500.00	5.00	-	5.00	500.00	5.00	-	5.00
Rajnarayan Financial Services Ltd	135,300.00	2,520.00	-	2,520.00	135,300.00	2,520.00	-	2,520.00
Rane brake linings Ltd	100.00	18.00	-	18.00	100.00	18.00	-	18.00
Reliance Capital Limited	1,250.00	721.73	-	721.73	1,750.00	1,010.00	-	1,010.00
Reliance Communication Limited	1,500.00	320.75	-	320.75	2,500.00	535.00	-	535.00
Reliance Infrastructure Limited	1,250.00	842.19	-	842.19	1,750.00	1,179.00	-	1,179.00
Reliance Industries Limited	1,000.00	1,348.65	-	1,348.65	4,000.00	5,398.00	-	5,398.00
Reliance Power Limited	2,250.00	1,654.17	-	1,654.17	17,000.00	2,343.00	-	2,343.00
LARSEN & TOUBRO	100.00	-	-	-	100.00	-	-	-
Sulzon Energy Limited	-	-	-	-	11,000.00	1,794.00	-	1,794.00
Talavadi Rocks & Minerals LTd	4,000.00	40.00	-	40.00	4,000.00	40.00	-	40.00
Vijaykumar Mills Ltd	-	-	-	-	-	-	-	-
Vsm Finance & Investments LTd	-	-	-	-	-	-	-	-
Unitech Limited	-	-	-	-	6,000.00	263.00	-	263.00

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MUNOTH COMMUNICATION LIMITED

## 8.1 Investment -quoted -others (Continued)

31 March 2014  
Rs. '00031 March 2013  
Rs. '000

Name of the Body Corporate	2013-14				2012-13			
	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
Ambuja Foods limited	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Amethi Textiles Ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Appollo Tubes Ltd	70,000.00	0.00	-	0.00	70,000.00	0.00	-	0.00
Arihant Costlyn Ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Asian Tractors Ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Avon Industires Ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Beneras State Bank Ltd	97,800.00	4,890.00	-	4,890.00	97,800.00	4,890.00	-	4,890.00
Beneras State Bank Ltd	50,000.00	500.00	-	500.00	50,000.00	500.00	-	500.00
Bharat Textiles & Proofing India Ltd	6,200.00	0.00	-	0.00	6,200.00	0.00	-	0.00
Bhiwani Denim Ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Blue Blend Petro	250.00	0.00	-	0.00	250.00	0.00	-	0.00
BTW Industries Ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Cethar Industries Ltd	30,000.00	0.00	-	0.00	30,000.00	0.00	-	0.00
Computer Power Indian Limited	493,500.00	0.00	-	0.00	493,500.00	0.00	-	0.00
Coramandel Granited	29,200.00	0.00	-	0.00	29,200.00	0.00	-	0.00
Decan Granited Ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Delight Handicrafts palace Ltd	3,200.00	0.00	-	0.00	3,200.00	0.00	-	0.00
Deve Sugars Ltd	6,200.00	0.00	-	0.00	6,200.00	0.00	-	0.00
Flawless Diamonds Ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Gujarat Ambuja Cotspyn	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Gujarat Ambuja Proteins	10.00	0.00	-	0.00	10.00	0.00	-	0.00
Gujarat Tele Cables	50.00	0.00	-	0.00	50.00	0.00	-	0.00
Hytaiun Magnetics ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
India Castor Ltd	3,300.00	0.00	-	0.00	3,300.00	0.00	-	0.00
Indo French Bio Ent Ltd	500.00	0.00	-	0.00	500.00	0.00	-	0.00
Indo Greman prod Ltd	17,600.00	0.00	-	0.00	17,600.00	0.00	-	0.00
Indo Maxwell Ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Jain Granites and Pro India Ltd	37,300.00	0.00	-	0.00	37,300.00	0.00	-	0.00
Jamshedpur Metal TR Ltd	1,800.00	0.00	-	0.00	1,800.00	0.00	-	0.00
Jaswal Granites Ltd	200.00	0.00	-	0.00	200.00	0.00	-	0.00
Kesharayaia Granites Ltd	5,300.00	0.00	-	0.00	5,300.00	0.00	-	0.00
Kothari Securities Ltd	200,000.00	0.00	-	0.00	200,000.00	0.00	-	0.00
Laser Diamonds Ltd	9,500.00	9.50	-	9.50	9,500.00	9.50	-	9.50
Leena Textiles Ltd	3,500.00	0.00	-	0.00	3,500.00	0.00	-	0.00

## 8.1 Investment -quoted -others (Contd..)

31 March 2014

31 March 2013

Rs. '000

Rs. '000

Name of the Body Corporate	2013-14				2012-13			
	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
Mangul Knits Ltd	10,600.00	0.00	-	0.00	10,600.00	0.00	-	0.00
Neo Intex Mills Ltd	1,400.00	0.00	-	0.00	1,400.00	0.00	-	0.00
Mpec Textiles Ltd	700.00	0.00	-	0.00	700.00	0.00	-	0.00
Nutech Financial Services Ltd	90,000.00	0.00	-	0.00	90,000.00	0.00	-	0.00
Orient Organics Limited	1,700.00	0.00	-	0.00	1,700.00	0.00	-	0.00
Orient Exports Limited	3,300.00	10.46	-	10.46	3,300.00	10.46	-	10.46
Pentafour Products L	23,500.00	0.00	-	0.00	23,500.00	0.00	-	0.00
Prveen Propetied Limited(Party Paid)	178,500.00	0.00	-	0.00	178,500.00	0.00	-	0.00
Prudential MouliSugars Ltd	200.00	0.00	-	0.00	200.00	0.00	-	0.00
Ramkish Tyres Ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Rave Globals Ltd	495,000.00	0.00	-	0.00	495,000.00	0.00	-	0.00
Si Properties Ltd	1,500.00	0.00	-	0.00	1,500.00	0.00	-	0.00
Sri Vani Sugars & Chem Ltd	1,100.00	0.00	-	0.00	1,100.00	0.00	-	0.00
Stan Packs	5,000.00	0.00	-	0.00	5,000.00	0.00	-	0.00
Talawadi Rocks & Miner Pro Ltd	10,000.00	0.00	-	0.00	10,000.00	0.00	-	0.00
U B Petro Prod Ltd	100.00	0.00	-	0.00	100.00	0.00	-	0.00
U T I Master Gain 92	433.00	0.65	-	0.65	50.00	0.65	-	0.65
Usha India Ltd(Usharectifier)	100.00	0.00	-	0.00	100.00	0.00	-	0.00
Vinsari Fruitech Ltd	48,800.00	0.00	-	0.00	48,800.00	0.00	-	0.00
White House Cotton Indl Ltd	4,000.00	0.00	-	0.00	4,000.00	0.00	-	0.00
Ceat Financial Services Ltd	11,050.00	0.00	-	0.00	11,050.00	0.00	-	0.00
Chandra Prabhu Housing Ltd	71,500.00	0.00	-	0.00	71,500.00	0.00	-	0.00
Excel Finance Ltd	13,500.00	0.00	-	0.00	13,500.00	0.00	-	0.00
Innovation Securities Ltd	5,500.00	0.00	-	0.00	5,500.00	0.00	-	0.00
Mercantile Credit Corpn Ltd	50.00	0.00	-	0.00	50.00	0.00	-	0.00
Olympia Capitals & Management Ltd	4,300.00	0.00	-	0.00	4,300.00	0.00	-	0.00
Sanmac Motor Finance	2,900.00	0.00	-	0.00	2,900.00	0.00	-	0.00
Shasun Finance Ltd	1,000.00	0.00	-	0.00	1,000.00	0.00	-	0.00
Vertex Securities	800,000.00	2,400.00	-	2,400.00	800,000.00	2,400.00	-	2,400.00
Deepak Fertilisers & Chem Ltd	50.00	0.69	-	0.69	50.00	0.69	-	0.69
Tata Elexi Ltd	50.00	1.50	-	1.50	50.00	1.50	-	1.50
	<b>3,015,958.00</b>	<b>15,344.34</b>	<b>4.00</b>	<b>15,340.34</b>	<b>3,052,325.00</b>	<b>22,978.86</b>	-	<b>22,978.86</b>

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MUNOTH COMMUNICATION LIMITED



MUNOTH COMMUNICATION LIMITED

9 Deferred Tax (net)	31 March 2014		31 March 2013	
	Rs. '000		Rs. '000	
<b>Deferred Tax liability</b>				
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged to the financial statement			-	3,955.34
Others				
Brought Forward Losses			-	-
Gross deferred tax liability			-	-
<b>Deferred Tax Assets</b>				
Gratuity			-	-
Gross deferred tax asset			-	-
<b>Net deferred tax asset</b>			-	<u>3,955.34</u>
<b>10 Loans and advances</b>				
	Non- current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Advances recoverable in cash or kind - unsecured considered good	16,049.50	16,419.50	-	-
<b>Total</b>	<u>16,049.50</u>	<u>16,419.50</u>	-	-
<b>11 Trade receivables and other assets</b>				
<b>11.1 Trade receivables</b>				
	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Unsecured, considered good</b>				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	4,537.83	7,611.67
Others				
Provision for doubtful receivables	-	-	-	-
<b>(A)</b>	-	-	<b>4,537.83</b>	<b>7,611.67</b>
<b>Other Receivables (Secured/unsecured/doubtful- provision) (B)</b>				
	-	-	-	-
<b>Total (A+B)</b>	-	-	<u>4,537.83</u>	<u>7,611.67</u>
<b>11.2 Other assets</b>				
	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Unamortized expenditure -Deferred revenue expenditure*	-	-	-	-
Unamortized expenditure -Preliminary expenses**	-	-	-	696.00
	-	-	-	-
<b>Others</b>				
Employee	-	-	-	-
Government authorities	6,834.01	6,834.01	-	-
Share Application Money	-	-	-	<b>1,535.00</b>
Others	2,308.96	209.96	-	-
<b>Total</b>	<u>9,142.97</u>	<u>7,043.97</u>	-	<u>2,231.00</u>



## MUNOTH COMMUNICATION LIMITED

	<b>*Deferred Revenue Expenditure</b>		<b>2013-14</b>	<b>2012-13</b>
	Balance as per last balance sheet		-	490.66
	Less: Written off during the year		-	490.66
	Balance carried forward		-	-
	Rest(Years)		-	-
	<b>**Preliminary expenses</b>		<b>2013-14</b>	<b>2012-13</b>
	Balance as per last balance sheet		696.00	1,391.00
	Less: Written off during the year		696.00	695.00
	Balance carried forward		-	696.00
	Rest(Years)		-	1.00
<b>12</b>	<b>Inventories (valued at lower of cost and net realizable value)</b>		<b>31 March 2014</b>	<b>31 March 2013</b>
			<b>Rs. '000</b>	<b>Rs. '000</b>
	Traded goods (including stock-in-transit Rs Nil (31 March 2012: Rs.Nil) (refer note 19)			
	Mobile phones		3,421.98	3,595.05
			<u>3,421.98</u>	<u>3,595.05</u>
<b>13</b>	<b>Cash and bank balances</b>			
		<b>Non-current</b>	<b>Current</b>	
		<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2013</b>
		<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
	<b>Cash and cash equivalents</b>			
	Balances with banks:			
	On current accounts	-	-	444.08
	Deposits with original maturity of less than three months	-	-	-
	On unpaid dividend account	-	-	-
	Cash on hand	-	-	265.47
	<b>A)</b>	<u>-</u>	<u>-</u>	<u>709.55</u>
	Other bank balances			
	Deposits with original maturity for more than 12 months	-	-	-
	Deposits with original maturity for more than 3 months but less than 12 months	-	-	300
	Margin money deposit	-	-	-
	<b>B)</b>	<u>-</u>	<u>-</u>	<u>300</u>
	<b>Total (A+B)</b>	<u>-</u>	<u>-</u>	<u>1,009.55</u>
<b>14</b>	<b>Revenue from operations</b>		<b>31 March 2014</b>	<b>31 March 2013</b>
			<b>Rs. '000</b>	<b>Rs. '000</b>
	Finished goods		67.36	88.72
	<b>Revenue from operations (gross)</b>		<b>67.36</b>	<b>88.72</b>
	Less: Excise duty #		-	-
	<b>Revenue from operations (net)</b>		<u>67.36</u>	<u>88.72</u>



## MUNOTH COMMUNICATION LIMITED

<b>15</b>	<b>Other income</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
		<b>Rs. '000</b>	<b>Rs. '000</b>
	<b>Interest income on</b>		
	Others	-	3.24
	Dividend income on Shares and Mutual Fund	66.99	97.27
	Commission income	-	-
	Loss from investments	(4,195.11)	80.80
	Sundry Debtors having credit balance written back	410.26	
	Other non-operating income (net of expenses directly attributable to such income of)		
	Other income	-	3,474.00
	Rental income	7.20	7.20
		<b>(3,710.67)</b>	<b>3,662.52</b>
<b>16</b>	<b>(Increase)/decrease in inventories</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
		<b>Rs. '000</b>	<b>Rs. '000</b>
	<b>Inventories at the end of the year (31 March 2014)</b>		<b>(Increase) /Decrease</b>
	Traded goods		
	Stock-Mobiles	<u>3,421.98</u>	<u>3,595.05</u>
		<b>3,421.98</b>	<b>173.07</b>
	<b>Inventories at the beginning of the year (31 March 2013)</b>		
	Traded goods		
	Stock-Mobiles	3,595.05	3,595.05
		<u>3,595.05</u>	<u>3,595.05</u>
		<b>173.07</b>	<b>0.00</b>
<b>17</b>	<b>Employee benefit expense</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
		<b>Rs. '000</b>	<b>Rs. '000</b>
	Salaries, wages and bonus	197.47	1,237.15
	Managerial Remuneration	93.75	1,500.00
	Contribution to provident and super annuation fund	52.81	81.61
	Gratuity expense- Provision	70.00	60.00
	Staff welfare expenses	36.47	68.85
	Ex- Gratia	7.50	2.88
	Performance pay	-	-
		<b>458.00</b>	<b>2,950.49</b>
<b>18</b>	<b>Other expenses</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
		<b>Rs. '000</b>	<b>Rs. '000</b>
	Power and fuel	71.04	256.88
	Provision for diminution in value of investment	4.00	-
	Round Off	0.00	-
	Cash discount	12.68	-
	Provision for Bad Debts	94.23	-
	Rates and taxes, excluding, taxes on income	12.97	13.30
	Insurance	81.93	115.47



## MUNOTH COMMUNICATION LIMITED

Repairs and maintenance	-	-
Vehicles	236.47	138.57
Office Maintenance	145.95	10.46
Others	45.21	97.13
Advertising and sales promotion	32.85	28.40
Brokerage and discounts - trade discount	-	7.35
Travelling and conveyance	3.64	973.64
Communication costs	27.68	142.81
Printing and stationery	109.84	145.35
Legal and professional fees	121.55	111.85
Audit Fees	100.00	100.00
Miscellaneous expenses	-	1.11
Carriage Outwards	-	1.80
Web Site Maintenance Charges	25.64	33.94
Share Transfer Expenses	47.18	54.32
Pooja Expenses	13.44	24.88
General Expenses	9.98	150.32
Membership Fees	2.00	5.93
AGM Expenses	1.80	1.50
Listing Fees	88.95	88.95
Filing Fees	3.00	2.50
Preliminary Expenses W/off	696.00	695.00
<b>Advances Written Off</b>	<b>370.00</b>	-
Deffered revenue Expenditure	-	490.66
Donation	-	77.12
	<b><u>2,358.04</u></b>	<b><u>3,769.23</u></b>
Above expenses include research and development expenses	-	-
<b>Payment to auditor</b>		
Audit fee	60.00	60.00
Tax audit fee	-	-
Others	40.00	40.00
	<b><u>100.00</u></b>	<b><u>100.00</u></b>
<b>19 Depreciation and amortization expense</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Depreciation of tangible assets	1,238.96	1,308.95
Amortization of intangible assets	1,897.54	1,897.54
Depreciation of investment property	-	-
Less: recoupment from revaluation reserve	(206.16)	-
	<b><u>2,930.35</u></b>	<b><u>3,206.49</u></b>
<b>20 Finance costs</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Interest	87.71	105.30
Bank charges	5.91	16.32
	<b><u>93.62</u></b>	<b><u>121.62</u></b>





## MUNOTH COMMUNICATION LIMITED

### Earnings per share (EPS)

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

	31 March 2014 Rs. '000	31 March 2013 Rs. '000
<b>Total operations for the year</b>		
Profit/(loss) after tax	(13,611.90)	(7,489.73)
Less : Dividends on convertible preference shares & tax thereon		
<b>Net profit/(loss) for calculation of basic EPS</b>	<b>(13,611.90)</b>	<b>(7,489.73)</b>
Net profit as above	(13,611.90)	(7,489.73)
Add : dividends on convertible preference shares & tax thereon		
Add : interest on bonds convertible into equity shares (net of tax)		
<b>Net profit/(loss) for calculation of diluted EPS</b>	<b>(13,611.90)</b>	<b>(7,489.73)</b>
<b>Continuing operations</b>		
Profit/(loss) after tax	(13,611.90)	(7,489.73)
Less : dividends on convertible preference shares & tax thereon		
<b>Net profit for calculation of basic EPS</b>	<b>(13,611.90)</b>	<b>(7,489.73)</b>
Net profit as above	(13,611.90)	(7,489.73)
Add : dividends on convertible preference shares & tax thereon		
Add : interest on bonds convertible into equity shares (net of tax)		
<b>Net profit/(loss) for calculation of diluted EPS</b>	<b>(13,611.90)</b>	<b>(7,489.73)</b>
Weighted average number of equity shares in calculating basic EPS	(1.41)	(0.78)
<b>Effect of dilution:</b>		
Convertible preference shares		
Convertible bonds		
Stock options granted under ESOP		
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>(1.41)</b>	<b>(0.78)</b>

### Related party disclosures

#### a. Names of related parties and related party relationship

##### Related parties where control exists

Holding company -NA-

Holding Limited Ultimate holding company -NA-

##### 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 Private Limited

3. Munoth Industries Ltd

4. CFORE Telecom Ltd

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 2014 Rs. '000	31 March 2013 Rs. '000
Mr. Jaswant Munoth		
Salary, bonus and contribution to PF	375.00	1,500.00
<b>Total</b>	<b>375.00</b>	<b>1,500.00</b>

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 2014 Rs. '000	31 March 2013 Rs. '000
Associates:		
Munoth Financial Services Ltd	18,227.29	18,227.29
Munoth Neg Wind Farm (P) Ltd - unquoted	737.07	737.07
Munoth Industries Ltd-unquoted	3,125.00	3,125.00

c. Share Application Money	31 March 2014 Rs. '000	31 March 2013 Rs. '000
Associates:		
CFORE Telecom Ltd	-	1,535.00

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

### a Dues to micro and small enterprises as defined under MSMED Act 2006

	31 March 2014 Rs. '000	31 March 2013 Rs. '000
* The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of the each accounting year	-	-
i) Principal amount due to the micro and small enterprises		
ii) Interest due on above		
* The amount of the interest paid by the buyer in terms of sec 16 of the MSMED act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
* The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006	-	-
* The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
* The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above actually paid to small enterprises for the purpose of disallowance as deductible expenditure under sec 23 of MSMED act 2006	-	-

As per our report of 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 : 20/05/2014

Lalchand Munoth  
[Chariman]

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]



**SCHEDULE XXII (22)**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2014:**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

**22.1. 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 read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

**22.2. REVENUE RECOGNITION:**

Revenue from Sale 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, and 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.

**22.3. 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.

**22.4. INTANGIBLE ASSETS:**

Intangible assets consisting of software under development, for senior citizen mobiles, are stated at cost less accumulated amortization for a period of three years and the company has completed amortising the entire asset during this year.

**22.5. DEPRECIATION:**

- (i) Depreciation on owned assets is provided on Written down value method at the rates based on the estimated useful life of the assets estimated by management which is in accordance with the rates and also in the manner specified in Schedule XIV to the Companies Act, 1956.
- (ii) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with respect to date of acquisition /disposal.

**22.6. INVESTMENTS:**

The Management has classified the Investment made in shares for more than a year 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.



**22.7. VALUATION OF INVENTORIES :**

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

**22.8. RETIREMENT AND OTHER BENEFITS TO THE EMPLOYEES :**

a) Gratuity:

The Company has provided for gratuity during the year on an accrual basis and the company has not gone for any actuarial valuation for the same and remains unfunded.

b) Leave Salary:

In respect of Leave Salary, the company as such 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.

**22.9. SEGMENT REPORTING (AS – 17)**

Segment Reporting is not applicable to this company as the Company has earned revenue, only from sale of mobile phones and hence this standard is not applicable.

**22.10. CONSOLIDATED FINANCIAL STATEMENTS : (AS – 21)**

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

**22.11. TAXES ON INCOME: (AS-22)**

Current Income Tax expenses comprise taxes on income from operations in India. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.

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 has been made in the books of accounts.

**22.12. 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.

**22.13. FOREIGN CURRENCY TRANSLATION:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



## MUNOTH COMMUNICATION LIMITED

Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction and non monetary items which are carried at fair value or other similar valuation denomination in a foreign currency are reported using the exchange rates that existed when the values were determined.

### **B. NOTES ON ACCOUNTS:**

- 1) The balances in parties' accounts are subject to confirmation and reconciliation except in some cases. In the opinion of the Management, the Current Assets, Loans & Advances would realize at least to the extent stated in the Balance Sheet.
- 2) The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small & Medium Enterprises Development Act 2006. Based on information and evidence available with the company, there are no dues to Micro & Small enterprises outstanding as on 31.03.2014

### **3) MANAGERIAL REMUNERATION:**

In Rs.

Particulars	2013-14	2012-13
Towards Salary	3,75,000	15,00,000
Towards Sitting Fees (no sitting fees were paid to the Chairman and the managing Director)	NIL	NIL
Towards Contribution to Provident Fund & other Funds	NIL	NIL
Towards Other Benefits	NIL	NIL

The Company has transferred 75% of the remuneration paid to the Managing Director for the new project development of Mobile accessories.

### **4) AUDITOR'S REMUNERATION:**

In Rs.

S.no	Particulars	2013-14	2012-13
1	Statutory Audit	60000	60000
2	Tax Audit	-	-
3	Others	40000	40000
4	Service Tax	12360	12360

### **5) RELATED PARTY DISCLOSURE:**

#### i) Related Parties

- a) Mr. Jaswant Munoth – Managing director – Key Management personnel
- b) M/s. South India Chemicals & Leasing Private Limited, M/S. Munoth Financial Services Ltd – Company having common directors

In Rs.

ii) Nature of transaction	2013-14 Amount Rs.	2012-13 Amount Rs.
Salary	Rs.375000/-	Rs. 1500000/-
Balance payable as on 31 <sup>st</sup> March	Nil	Nil

The Company has transferred 75% of the remuneration paid to the Managing Director for the new project development of Mobile accessories.



## MUNOTH COMMUNICATION LIMITED

### 6) EARNINGS PER SHARE (AS – 20)

Particulars	31.03.2014	31.03.2013
Net profit after tax	(13611900)	(7489730)
No of equity shares	96,49,400	96,49,400
Basic E.P.S.	-1.41	-0.78
Face value(Rs.)	10	10

- 7) Deferred Tax Asset of Rs. 39,55,340/- has been written off in the current financial year.
- 8) Depreciation on the Revaluation of the Land and Building has been transferred to the Revaluation Reserve created on account of the Revaluation done.
- 9) Debtors having credit balance have been written back since no payment is likely to be recovered for the same.
- 10) The Company has ventured into manufacture of Mobile accessories and during the year the design and development is under progress. The Company has identified and allocated costs incurred to undertake the project and on a proportionate basis have transferred Managerial Remuneration and other allocable overheads to this head. The company has indentified costs that are directly attributable to this new project.

The break up of expenditure incurred for the mobile accessories project are as follows:-

<u>Expenses under construction</u>	<u>Amount in Rs.</u>
Expenses Pending Capitalisation (Opening Balance)	Nil
Add: Expenditure during the Period	
Fixed Assets	428340
Expenditure under construction	2088920
Expenses Pending Capitalisation (Closing Balance)	<b>2517260</b>

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

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 : 20/05/2014

Lalchand Munoth  
[Chariman]

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]



## MUNOTH COMMUNICATION LIMITED

### Cash Flow Statement for the year ended 31 March 2014

	Year ended 31 March 2014 Rs. in '000	Year ended 31 March 2013 Rs. in '000
<b>Cash flow from operating activities</b>		
Profit before tax	(9,656)	(7,490)
<b>Non-cash adjustment to reconcile profit before tax to net cash flows :</b>		
Depreciation/amortisation	2,930	3,206
Provision for gratuity	70	60
Provision for Bonus	-	-
Provision for Bad Debts	94	-
Advance written off	1,460	-
Deferred tax asset Written off	-	-
Preliminary Expenses w/o	696	695
Amortization of Ancillary Cost	-	491
Loss/(Profit) on sale of fixed asset	-	-
Interest expense	88	105
Dividend Income	(67)	(97)
Interest Income	-	(3)
	<u>(4,385)</u>	<u>(3,033)</u>
<b>Operating profit before working capital changes</b>		
<b>Movements in working capital :</b>		
Increase/(decrease) in Trade payables	(1,291)	766
Increase/(decrease) in Long-Term Provisions	-	-
Increase/(decrease) in Short-Term Provisions	53	-
Other Long Term Liability	-	(0)
Increase/(decrease) in Other current liabilities	(94)	(858)
Decrease/(Increase) in Trade receivables	2,980	(2,077)
Decrease/(Increase) in Inventories	173	14,128
Decrease/(Increase) in Long-Term loans and advances	(1,090)	122
Decrease/(Increase) in Short- Term loans and advances	-	-
Decrease/(Increase) in Other current assets	1,535	1,070
Decrease/(Increase) in Other Non- current assets	(2,099)	-
<b>Cash generated from/(used in) operations</b>	<b>(4,219)</b>	<b>10,118</b>
Direct taxes paid ( Net of refunds)	-	-
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(4,219)</b>	<b>10,118</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets,including intangible assets, CWIP and capital advances	(2,517)	-
Proceeds from sale of fixed assets	300	-
Proceeds from sale of non-current investments	-	-
Purchase of Non-current investments	-	(12,166)
Purchase of Current investments	-	1,564
Proceeds from sale/maturity of current investments	-	-
Investments in bank deposits (having original maturity more than 3 months)	-	-



## MUNOTH COMMUNICATION LIMITED

Redemption from Sale/Maturity of Current Investments	7,639	-
Redemption/maturity of bank deposits (having original maturity more than 3 months)	-	-
Dividend Received	67	97
Interest Received	-	3
<b>Net cash flow from/(used in) Investing Activity (B)</b>	<b>5,488</b>	<b>(10,501)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings		
Repayment of long term borrowings	(241)	(195)
Proceeds from short term borrowings	-	-
Repayment of short term borrowings	-	-
Interest paid	(88)	(105)
<b>Net cash flow from/(used in) Financing Activity ('C)</b>	<b>(328)</b>	<b>(301)</b>
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	941	(684)
Cash and cash equivalents at the beginning of the year	69	752
<b>Cash and cash equivalents at the end of the year</b>	<b>1,010</b>	<b>68</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	265	9
Cheques/drafts on hand	-	-
With banks-on current account	-	-
- Current Account	744	112
- on deposit account (margin money)	-	-
- Overdrafts	-	(54)
Total cash and cash equivalents	<b>1,010</b>	<b>68</b>

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 : 20/05/2014

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 2014 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 : 20/05/2014



**MUNOTH COMMUNICATION LIMITED**

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

**CIN: L65991TN1984PLC010816**

**ATTENDANCE SLIP**

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

Reg. Folio No. ....

No. of Shares.....

DPID : Client ID .....

I certify that I am the registered share holder/Proxy for the registered shareholder of the Company. I hereby record my presence at the Thirtieth Annual General Meeting of the Company held on 19<sup>th</sup> September, 2014, at 10.25 A.M. at Nahar Hall, (South India Hire Purchase Association), Desabandhu Plaza, 1st Floor, 47 Whites Road, Royapettah, Chennai - 600 014.

Members / Proxy's Name in Block Letters

Member's / Proxy Signature

**Form No. MGT-11**

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

**Proxy form**

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

CIN: L65991TN1984PLC010816

Name of the company: MUNOTH COMMUNICATION LIMITED

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

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

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual general meeting of the company, to be held on Friday 19<sup>th</sup> September, 2014, at 10.25 A.M. at Nahar Hall, South India Hire Purchase Association, Desabandhu, 1st Floor, 47, Whites Road, Royapettah, Chennai - 600 014. and at any adjournment thereof in respect of all the resolutions as are indicated follows:

SL. No.	RESOLUTIONS	Opotional	
		For	Against
	Ordinary Business		
1	Adopt the Audited Financial statements of the Company for the financial year ended March 31, 2014 including the audited Balance Sheet as on that date and the Statement of Profit and Loss for the year ended as on that date and the Reports of the Directors and Auditors thereon.		
2	Re-appointment of Mr. Lalchand Munoth as Director who retires by rotation		
3	Re-appointment of Mr. Bharat Munoth as Director who retires by rotation		
4	Appointment of Auditors and fixing their remuneration		
	Special Business		
5	Appointment Mr. Vikas Munoth as Director liable to retire by rotation.		
6	Appointment of Mr. C. R. Sasi as Independent Director		
7	Appointment of Mr. M. Jayantilal Jain as Independent Director		
8	Appointment of Mr. Manish Mardia as Independent Director		
9	Appointment of Ms. Ranjani Padmanabhan as Independent Director		

Signed this ..... day of ..... 2014

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

Affix 1/-  
Revenue  
Stamp

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

**Note:**

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

To.

*If undelivered please return to :*

**MUNOTH COMMUNICATION LIMITED**

MUNOTH CENTRE

Suite No. 48, Munoth Centre,

343, Triplicane High Road,

Chennai - 600 005.