



**Munoth Communication Limited**

**33<sup>rd</sup> Annual Report 2016-17**



## MUNOTH COMMUNICATION LIMITED

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**BOARD OF DIRECTORS**

Mr. Lalchand Munoth, Chairman, DIN No: 01693640  
Mr. Jaswant Munoth, Managing Director, DIN No: 00769545  
Mr. Bharat Munoth, Director, DIN No: 00769588  
Mr. M.Jayantilal Jain, Director DIN No: 01407484  
Mr. C.R. Sasi, Director, DIN No: 06752354  
Mr. Vikas Munoth, Director, DIN No: 00769366  
Ms. Lakshika Mehta, Director DIN No: 07183815

**COMPANY SECRETARY**

Jinal Jain

**AUDITORS**

Kumbhat & Co.,  
Chartered Accountants  
Kumbhat Complex, 5th Floor,  
29, Ratan Bazaar, Chennai - 600 003.

**SECRETARIAL AUDITOR**

N Selvam  
Practicing Company Secretary

**BANKERS**

Indian Bank  
Bank of Baroda  
The Federal 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



<b>CONTENTS</b>	<b>Page No.</b>
Notice	4
Director's Report	11
<u>STANDALONE FINANCIAL STATEMENT</u>	
Auditor's Report	41
Balance Sheet	47
Statement of Profit & Loss	48
Cash Flow Statement	49
Notes to Financial Statement	51
<u>CONSOLIDATED FINANCIAL STATEMENT</u>	
Auditor's Report	69
Balance Sheet	75
Statement of Profit & Loss	76
Cash Flow Statement	77
Notes to Financial Statement	79



## MUNOTH COMMUNICATION LIMITED

**MUNOTH COMMUNICATION LIMITED**  
**REGD. OFFICE: MUNOTH CENTRE**  
**3RD FLOOR, 343 TRIPPLICANE HIGH ROAD**  
**CHENNAI - 600 005**  
**CIN NO: L65991TN1984PLC010816**

### **NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the THIRTY THIRD Annual General Meeting of the Company will be held on 30<sup>th</sup> August 2017 at 10:30 AM 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 along with the consolidated financial statements of the Company for the financial year ended March 31, 2017 including the audited Balance Sheet as on that date and the Statement of Profit and Loss for the year ended on that date and Cash flow Statement as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Vikas Munoth (DIN No: 00769366) 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 Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s. Mardia and Associates, Chartered Accountants (Firm’s Registration No.007888S) be and are hereby appointed as the statutory auditor of the company in place of the retiring Auditor M/s. Kumbhat & Co to hold office from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company to be held in year 2022 to examine and audit the accounts of the Company at such remuneration plus applicable taxes, out-of-pocket expenses etc., as may be mutually agreed between the Board of Directors and the Auditors.”

#### **SPECIAL BUSINESS**

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

“RESOLVED that pursuant to the approval of the Board of Directors and recommendation of remuneration committee and subject to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 approval of Members be and is hereby accorded to Mr. Jaswant Munoth (DIN : 00769545), for reappointment as “Managing Director” of the Company for a period of three years effective from 1<sup>st</sup> December 2017 to 30<sup>th</sup> November 2020 and the payment of remuneration of Rs. 2,00,000/- per month, on the terms and conditions of appointment including remuneration , as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of re-appointment



## MUNOTH COMMUNICATION LIMITED

and remuneration so as to not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 read with limits specified in Schedule V to the Companies Act, 2013 and as may be agreed to by the Board of Directors and Mr. Jaswant Munoth.”

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

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

Place : Chennai  
Date : 31/07/2017

**Lalchand Munoth**  
**Chairman**

### **NOTES:**

#### **EXPLANATORY STATEMENT**

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

#### **APPOINTMENT OF PROXY**

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

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

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

The Register of Members and the Share Transfer Books of the Company will remain closed from August 24, 2017 to August 30, 2017 (Both days inclusive).

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

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

The Notice is being sent to all the members of the Company whose name appears in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (“NSDL”)/ Central Depository Services (India) Limited (“CDSL”) as on 04/08/2017.

#### **ATTENDANCE SLIP:**

For the convenience of the Shareholders Attendance slip is annexed to the proxy form. The Shareholders are requested to fill in and affix their signatures at the space provided therein and hand over the attendance



## MUNOTH COMMUNICATION LIMITED

slip at the entrance of the place of the meeting. Proxy/Representative of Shareholders should mark on the attendance slip as "Proxy" or "Representative" as the case may be. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

### **DEMATERIALISATION OF SHARES:**

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

### **REQUEST TO MEMBERS:**

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

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

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

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

### **GREEN INITIATIVE**

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

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

In terms of the aforesaid Green Initiative circular of MCA, the Company is sending Annual Report and other communications/ documents required to be sent to its Members under Section 136 of the Companies Act, 2013 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



## MUNOTH COMMUNICATION LIMITED

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. 23/08/2017

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

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

- (i) The voting period begins on August 27, 2017 at 9:00 A M and ends on August 29, 2017 at 5:00 P M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date)23/08/2017 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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as serial no. affixed on Postal Ballot in the PAN Field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (IV).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.





## MUNOTH COMMUNICATION LIMITED

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



## MUNOTH COMMUNICATION LIMITED

### **Particulars of Directors seeking appointment/ re- appointment/resignation as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

The particulars in respect of Directors seeking appointment/ re-appointment in the forthcoming Annual General Meeting as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are available in the Directors Report under section "Directors and KMP" 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

Mr. Jaswant Munoth was appointed as the Managing Director for five years with effect from 01/12/2012. Keeping in view his entrepreneurial spirit and commitment as well as taking into account his responsibilities the nomination and remuneration committee has decided to reappoint him as Managing Director with the remuneration of Rs. 2,00,000/- per month. Mr. Jaswant Munoth is also the Managing Director of Munoth Financial Services Limited. The Board of Directors in their meeting held on July 31, 2017 has decided to reappoint him as the Managing Director of the Company for the period of three years with effect from 01/12/2017 to 30/11/2020. He is also a member of the Shareholder/ Investor Grievance Committee of the Board of Directors of the Company. Mr. Jaswant Munoth is a Commerce graduate with a Masters Degree in Business Administration. He has extensive knowledge in the field of telecommunication, finance and investments. His dynamism and the business acumen will be of great asset to the Company.

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

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

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

Basic salary: At the rate not exceeding '2,00,000/- per month; and (ii) Allowances: Not exceeding one and a half times the Basic salary, with increments as may be decided by the Board of Directors of the Company from time to time. subject to a ceiling on increment of 30% in a year (following April to March year) over the existing Basic salary and Allowances, as on 1st April every year.

##### **b) Commission and Performance linked incentive:**

On net profits of the Company determined in accordance with the relevant provisions of the Companies Act, 2013 at a rate to be determined by the Board of Directors from time to time, but not exceeding an amount equivalent to twice the Salary in I(a) above, for the relevant period. The payment may be made on a pro-rata basis every month or on an annual basis or partly monthly and partly on an annual basis at the discretion of the Board.

#### **II) Perquisites:**

1. In addition to the Remuneration as stated above, Mr. Jaswant Munoth shall be entitled, as per Rules of the Company, to perquisites like:

- a. Rent-free furnished residential accommodation with free use of all the facilities and amenities, such as air conditioners, geysers etc.

In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance as per policy of the Company.



## MUNOTH COMMUNICATION LIMITED

- b. Reimbursement of all medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalisation.
  - c. Personal Accident Insurance Premium.
  - d. Air passage and/or leave travel allowance for self and members of his family
  - e. Subscription to clubs.
  - f. Use of Company maintained cars with drivers for business and personal use.
  - g. Use of communication devices such as telephones, audio and video conference facilities etc., at the residence.
  - h. Education Allowance for children, whether abroad or in India.
  - i. Encashment of leave at the end of his tenure as per policy of the Company.
  - j. Contributions to provident fund, superannuation fund or annuity fund and any other retirement benefits.
  - k. Participation in any/ all employee stock option schemes/ plans of the Company
  - l. Gas, Electricity, water & furnishings; maintenance and repairs thereof
  - m. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Jaswant Munoth The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount not exceeding the Salary in I(a) above for the relevant period. The perquisites mentioned above from (h) to (m) shall be based on actual amounts and excluded from the aforesaid perquisite limit.
2. The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the limits stipulated.

### III) Minimum Remuneration:

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

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

Place : Chennai  
Date : 31/07/2017

**Lalchand Munoth**  
Chairman



## MUNOTH COMMUNICATION LIMITED

### DIRECTORS' REPORT

#### To The Members

Your Directors have pleasure in presenting their Thirty Third Annual Report together with the Audited Accounts (Standalone and Consolidated) for the year ended March 31, 2017:

PARTICULARS	STANDALONE		CONSOLIDATED	
	2016-17 Rs.	2015-16 Rs.	2016-17 Rs.	2015-16 Rs.
Total Revenue	1,19,32,831	50,61,195	1,19,32,831	47,70,795
Total Expenses	1,72,68,014	109,26,084	1,72,68,014	109,26,085
Earnings before Interest, Tax, depreciation and amortisation	(53,35,183)	(58,64,889)	(53,35,183)	(61,55,289)
Depreciation & Amortisation	18,41,127	27,22,276	18,41,127	27,22,276
Less: Recoupment from revaluation reserve	-	-	-	-
Finance cost	17,66,029	12,33,559	17,66,029	12,33,559
Profit or Loss before Exceptional and Extraordinary items	(89,42,339)	(98,20,724)	(89,42,339)	(101,11,124)
Less: Exceptional Items	-	-	-	-
Less: Deferred tax asset written off	-	-	-	-
Less: Extraordinary Items	-	-	-	-
Less: Current Tax, Deferred Tax	-	-	-	-
Profit/(Loss) after Tax	(89,42,339)	(98,20,724)	(89,42,339)	(101,11,124)
Share of Profit/Loss from Associates:				
- C FORE	-	-	23,925	(23,222)
- MFSL	-	-	-	(5,33,634)
Balance as per statement of Profit & Loss for the last year	(7,91,45,320)	(6,93,24,597)	(7,38,99,368)	(6,32,30,388)
Balance (statement of Profit & Loss) transfer to reserve	(8,80,87,659)	(7,91,45,321)	(8,80,86,955)	(7,38,99,368)

#### **REVIEW OF BUSINESS OPERATIONS:**

##### **PCBA:**

Your Company has made sales worth Rs. 29, 31,699 for the year ending 31<sup>st</sup> March 2017 as against Rs.20, 68,233 for the year ending 31<sup>st</sup> March 2016.

##### **BRANDED ACCESSORIES:**

Your Company has made sales worth Rs. 89, 88,452 for the year ending 31<sup>st</sup> March 2017 as against Rs.22, 82,191 for the year ending 31<sup>st</sup> March 2016.

Further, the loss has been reduced to Rs. 53, 35,183 for the year ending 31<sup>st</sup> March 2017 from Rs. 58, 64,889 for the year ending 31<sup>st</sup> March 2016.

##### **FUTURE PROSPECTS:**

The Company is proposing to set up an assembly unit to assemble power bank and battery pack given conducive environment and attractive fiscal incentives by Government of India and State Government.



**DIVIDEND:**

The Board of Directors has decided not to recommend any dividend.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

The provisions of Section 125(2) of the companies Act, 2013 do not apply as there was no dividend declared and paid last year.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN 31st March 2017 ( THE END OF THE FINANCIAL YEAR and 23<sup>rd</sup> MAY 2017 (THE DATE OF REPORT)**

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

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

The details of conservation of energy, technology absorption etc as required to be given under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 are not applicable to the Company, as our Company has not carried out any manufacturing activities. The foreign exchange earnings on account of the operation of the Company during the year were Rs. NIL.

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

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

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

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not provided working capital loan, Guarantee or provided security. The details of investments made by the company are given in the notes to the financial statements.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Director's qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as Annexure 1 and is attached to this report.

**EXTRACT OF ANNUAL RETURN**

The Extract of Annual return as on March 31, 2017 as provided under Sub-section (3) of section 92 of Companies Act, 2013 in Form No. MGT - 9 is being annexed as Annexure 2 to the report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is presented in separate section forming part of the Annual Report as Annexure 3.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

As required in Clause (c) of Sub- Section (3) of Section 134 of the Companies Act, 2013, your Director confirms and state that-



## MUNOTH COMMUNICATION LIMITED

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the close of the financial year ended 31<sup>st</sup> March 2017 and of the Profit/Loss of the company for the year ended 31st March 2017.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **DEPOSITS**

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

### **DIRECTORS & KMP:**

Mr. Bharat Munoth, Mr. Vikas Munoth retires by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

Mr. Jaswant Munoth was appointed as Managing Director of the Company for 5 years with effect from 01/12/2012 and his term expires on 30/11/2017. His reappointment as managing director for the period of three years with effect from 01/12/2017 is subject to the approval of members.

Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following are the details of the directors seeking appointment / re-appointment:

#### **1. Brief resume of Mr. Bharat Munoth and nature of his expertise in specific areas:**

Mr. Bharat Munoth is retiring by rotation at this Annual General Meeting and being eligible offers himself for reappointment. Mr. Bharat Munoth, aged 47 years (DOB: 02/03/1970) 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. As on March 31, 2017, his shareholding in the Company is 90950 shares and has no shares held by/for other persons on a beneficial basis.

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

#### **2 . Brief resume of Mr. Vikas Munoth and nature of his expertise in specific areas:**

Mr. Vikas Munoth is retiring by rotation at this Annual General Meeting and being eligible offers himself for reappointment. Mr. Vikas Munoth aged 40 years (DOB: 26/03/1977) 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 mobile phones and accessories for the last 15 years. He is also director of Munoth Financial Services Limited and Munoth Industries Limited.



## MUNOTH COMMUNICATION LIMITED

As on March 31, 2016, his shareholding in the Company is 58173 shares and has no shares held by/ for other persons on a beneficial basis.

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

### **3. Brief resume of Mr. Jaswant Munoth and nature of his expertise in specific areas:**

Mr. Jaswant Munoth, aged 52 years (Date of Birth : 14/07/1965) holds a Bachelor Degree in Commerce from University of Madras with a Masters Degree in Business Administration. He has extensive years of experience and knowledge in the field of Capital Markets and telecommunications. He is the Managing Director of the company. He has managed and steered the company through the adverse market He is also the Managing Director of Munoth Financial Services Limited and director of Munoth Industries Limited, Munoth NEG Windfarm Private Limited, Misrimal Navajee Estates Private Limited, Maharana Finance & Investments P Limited, Shankeswara Finance & Investments P Limited, South India Chemicals & Leasing P Limited and Munoth Bioscience Limited.

As on March 31, 2017, his shareholding in the Company is 148475 shares and has no shares held by/ for other persons on a beneficial basis.

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

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

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

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

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

### **STATUTORY AUDITORS:**

Members on the meeting held on 19/09/2014 had approved the appointment of M/s. Kumbhat & Co as statutory auditor for a period of three financial years and they hold office until the conclusion of the ensuing AGM. The requisite resolution for the appointment of Statutory auditors for the period of 5 years is placed before the members for approval.

### **SECRETARIAL AUDIT REPORT:**

A Secretarial Audit was conducted during the year by the secretarial Auditor, Mr.N.Selvam, Practicing Company Secretary in accordance with provisions of section 204 of the Companies Act, 2013. The Secretarial Audit Report is attached as Annexure 4 and forms a part of the report of the Directors.

### **COST AUDIT:**

Cost Audit is not applicable to the Company for the financial year 2016-17.

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

There were no comments or observations or adverse remarks made by the auditor or practicing company secretary in their reports.



## MUNOTH COMMUNICATION LIMITED

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary or Joint venture Company. During the year under review, the Company has one associate Company -CFORE Telecom Limited. The disclosure in Form No. AOC 1 is enclosed as Annexure 5.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

In line with the requirements of the Companies act, 2013 and SEBI Regulations, the Company has formulated a policy on Related Party transactions which is also available on Company's website at [www.munothcommunication.com](http://www.munothcommunication.com). The policy intends to ensure that proper reporting; approval and disclosure procedures are in place for all transactions between the Company and Related Parties.

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

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

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

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

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

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

### **VIGIL MECHANISM:**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising Senior Executives of the Company. The policy on vigil mechanism and whistle blower policy may be accessed on the company's website [www.munothcommunication.com](http://www.munothcommunication.com)

### **CORPORATE GOVERNANCE:**

Pursuant to Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, report on Corporate Governance is not applicable to the Company for the financial year 2016-17 since the Net Worth is below 25 Crore and the Paid up Capital of the Company is less than 10 Crore.

### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:**

The Company has conducted 5 Board meetings during the financial year under review. They were held on 13<sup>th</sup> May 2016, 30<sup>th</sup> May 2016, 1<sup>st</sup> August 2016, 11<sup>th</sup> November 2017 and 9<sup>th</sup> February 2017.

### **AUDIT COMMITTEE:**

The Audit Committee comprises of Independent Directors namely Mr. C R Sasi, Ms. Lakshika Mehta





## MUNOTH COMMUNICATION LIMITED

(Chairman) and Mr.M.Jayantilal Jain and Mr. Jaswant Munoth (executive director) as members. All the recommendations made by the Audit Committee were accepted by the Board.

### **NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee comprises of 3 Independent Directors namely Mr. C R Sasi, Ms. Lakshika Mehta (Chairman) and Mr.M .Jayantilal Jain and Mr. Jaswant Munoth (executive director) as members. The Nomination and Remuneration Policy is mentioned in Annexure 1 of the Annual Report.

### **STAKEHOLDER'S RELATIONSHIP COMMITTEE:**

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. C R Sasi
3. Mr. Jaswant Munoth

### **STOCK EXCHANGES**

The Company's shares are listed on The Stock Exchange, Mumbai.

### **PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct as per the Guidelines issued by the Securities and Exchange Board of India for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Board of Directors and the designated employees have confirmed compliance with the code.

### **GENERAL:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

1. Issue of equity shares with differential rights as to dividend, voting or otherwise
2. Issue of shares (including sweat equity shares) to employees of the company and ESOS under any scheme
3. The company does not have any subsidiaries and hence the disclosure stating that the Managing Director / whole Time Director of the Company not receiving any remuneration or commission for subsidiary is not applicable.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **ACKNOWLEDGEMENTS:**

Your Directors would like to express their gratitude to the Shareholders, vendors, bankers and customers for their support and co-operation. They wish to thank all the employees of the Company for their sincere and dedicated services.

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

Place : Chennai  
Date : 23/05/2017

**Jaswant Munoth**  
Managing Director

**Vikas Munoth**  
Director



**ANNEXURE 1**

**Nomination and Remuneration Policy**

The Remuneration/Compensation Committee of Munoth Communication Limited (“the Company”), consisting of three independent directors, was renamed as Nomination and Remuneration Committee by the Board at its meeting held on March 31, 2015

1. **OBJECTIVE** The Nomination and Remuneration Committee and this Policy are in compliance with Section 178 of the Companies Act, 2013 (“**The Act**”) read along with the applicable rules thereto and SEBI Listing Regulations:

The key objectives of the Committee are:

To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.

To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and too assist the Board in fulfilling its responsibilities.

2. **DEFINITIONS**

**Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

**Board** means Board of Directors of the Company.

**Directors** mean Directors of the Company.

**Key Managerial Personnel** means Chief Executive Officer or the Managing Director or the Manager; Whole time director; Chief Financial Officer; Company Secretary; and such other officer as may be prescribed.

**Senior Management** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. **OBJECTS OF COMMITTEE**

- 3.1 **The objects of the Committee inter alia will be the following:**

- a. to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b. to recommend to the Board the appointment and removal of Senior Management
- c. to carry out evaluation of Director’s performance and recommend to the Board appointment / removal based on his / her performance.
- d. to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- e. to make recommendations to the Board concerning any matters relating to the continuation



in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

- f. ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g. to devise a policy on Board diversity;
- h. to develop a succession plan for the Board and to regularly review the plan;

**Policy for appointment and removal of Director, KMP and Senior Management**

**3.2 Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**3.3 Term / Tenure**

- a) Managing Director/Whole-time Director The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it shall be ensured that number of Boards on which such Independent Director serves is as may be prescribed under the Act and / or the Listing Agreement.

**3.4 Evaluation** The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**3.5 Removal** Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**3.6 Retirement** The Directors, KMP and Senior Management Personnel shall retire as per the



## MUNOTH COMMUNICATION LIMITED

applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### 3.7 Policy relating to the Remuneration for the Managing / Whole-time Director, KMP and Senior Management Personnel

The Remuneration Policy of the Company for managerial personnel is primarily based on the following:

- Performance of the Company,
- potential of individual and,
- External competitive environment

#### General

- a. The remuneration/compensation/commission, etc., to the Managing / Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval at the time of appointment. The remuneration /compensation / commission etc. of the Managing / Whole Time Director shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b. The remuneration and commission to be paid to the Whole-time Directors shall be in accordance with the provisions of the Act.
- c. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which would be within the limits approved by the Shareholders in the case of Whole-time Directors and as per the Policy of the Company in case of others.
- d. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### Remuneration to Managing / Whole-time Director, KMP and Senior Management Personnel

- a. **Fixed pay:** The Managing / Whole-time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- b. **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- c. **Provisions for excess remuneration:** If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without appropriate approvals, the Committee shall recommend the due course of action to the Board as and when required.

#### Remuneration to Non- Executive / Independent Director

- a. **Remuneration / Commission:** The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Act.



## MUNOTH COMMUNICATION LIMITED

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- b. **Sitting Fees:** The Non- Executive / Independent Director may receive Sitting fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed the amount as may be prescribed by the Central Government from time to time.
- c. **Commission:** Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- d. **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

#### 4. ROLE OF NOMINATION COMMITTEE :

The role of the Committee in relation to nomination matters include:

- a. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b. Ensuring that on appointment to the Board, independent directors receive a formal letter of appointment in accordance with the guidelines provided under the Act;
- c. Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d. Determining the appropriate size, diversity and composition of the Board;
- e. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h. Making recommendations to the Board concerning any matters relating to the in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j. Recommend any necessary changes to the Board; and
- k. Considering any other matters, as may be requested by the Board.

#### 5. ROLE OF REMUNERATION COMMITTEE

The role of remuneration Committee includes:

- a. to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- b. to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c. to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- d. to consider any other matters as may be requested by the Board.



## MUNOTH COMMUNICATION LIMITED

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- e. Professional indemnity and liability insurance for Directors and senior management.
6. **MEMBERS** The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent. Minimum two members shall constitute a quorum for the Committee meeting. Membership of the Committee shall be disclosed in the Annual Report. Term of the Committee shall be continued unless terminated by the Board of Directors.
7. **CHAIRPERSON** The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
8. **FREQUENCY OF MEETINGS** The meeting of the Committee shall be held at such regular intervals as may be required.
9. **OTHERS**
  - a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
  - b. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairman of the meeting will have a casting vote.
  - c. The Company Secretary of the Company shall act as Secretary of the Committee.
  - d. Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

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

Place : Chennai  
Date : 23/05/2017

**Jaswant Munoth**  
Managing Director

**Vikas Munoth**  
Director



## MUNOTH COMMUNICATION LIMITED

FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

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

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L65991TN1984PLC010816
ii	Registration Date	27/04/1984
iii	Name of the Company	MUNOTH COMMUNICATION LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
v	Address of the Registered office & contact details	SUITE NO. 48, MUNOTH CENTRE 343, TRIPPLICANE HIGH ROAD, TRIPPLICANE, CHENNAI - 600005, PH -914428591190 Email: cs@munothcommunication.com
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	CAMEO CORPORATE SERVICES LIMITED, 1, CLUB HOUSE ROAD, CHENNAI - 600002

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total revenue/turnover of the company
		class(Sub class)	
1	Wholesale of mobile phone and accessories	4652(46524)	100.00%

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

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLI CABLE SECTION
1	CFORE TELECOM LIMITED SUITE NO. 44 & 45, MUNOTH CENTRE 343, TRIPPLICANE HIGH ROAD TRIPPLICANE, CHENNAI - 600005	U64202TN2011PLC080267	ASSOCIATE	37.74%	2(6)



## MUNOTH COMMUNICATION LIMITED

### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	612873	100	612973	6.35	612873	100	612973	6.35	0
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporates	2229114	0	2229114	23.10	2229114	0	2229114	23.10	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other	0	0	0	0.00	0	0	0	0.00	0
<b>SUB TOTAL:(A) (1)</b>	2841987	100	2842087	29.45	2841987	100	2842087	29.45	0
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other...	0	0	0	0.00	0	0	0	0.00	0
<b>SUB TOTAL (A) (2)</b>	0	0	0	0.00	0	0	0	0.00	0
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	2841987	100	2842087	29.45	2841987	100	2842087	29.45	0
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/FI	300000	0	300000	3.11	300000	0	300000	3.11	0
c) Central govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIS	0	11625	11625	0.12	0	11625	11625	0.12	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
<b>SUB TOTAL (B)(1):</b>	300000	11625	311625	3.23	300000	11625	311625	3.23	0





## MUNOTH COMMUNICATION LIMITED

### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	259760	416973	676733	7.01	258453	416973	675426	7.00	(0.01)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	420365	552953	973318	10.09	413174	552637	965811	10.01	(0.08)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	403186	122650	525836	5.45	417402	122650	540052	5.60	0.15
c) Others (specify)	0	0	0	0	0	0	0	0	0
HUF	19313	0	19313	0.20	13656	0	13656	0.14	(0.06)
FOREIGN NATIONALS	3000000	0	3000000	31.09	3000000	0	3000000	31.09	0
NRIS & OCBS	1095488	205000	1300488	13.48	1095743	205000	1300743	13.48	0
<b>SUB TOTAL (B)(2):</b>	<b>5198112</b>	<b>1297576</b>	<b>6495688</b>	<b>67.32</b>	<b>5198428</b>	<b>1297260</b>	<b>6495688</b>	<b>67.32</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>5498112</b>	<b>1309201</b>	<b>6807313</b>	<b>70.55</b>	<b>5498428</b>	<b>1308885</b>	<b>6807313</b>	<b>70.55</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>8340099</b>	<b>1309301</b>	<b>9649400</b>	<b>100.00</b>	<b>8340415</b>	<b>1308985</b>	<b>9649400</b>	<b>100.00</b>	<b>0</b>



## MUNOTH COMMUNICATION LIMITED

### (ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company shares	% of pledged encumbered to total shares	
1	JASWANT MUNOTH	148575	1.54	0	148575	1.54	0	0.00
2	BHARAT MUNOTH	90950	0.94	0	90950	0.94	0	0.00
3	LEELADEVI MUNOTH	91150	0.94	0	91150	0.94	0	0.00
4	VIKAS MUNOTH	58173	0.60	0	58173	0.60	0	0.00
5	VIJAYALAKSHMI MUNOTH	95775	0.99	0	95775	0.99	0	0.00
6	LALCHAND MUNOTH	125350	1.30	0	125350	1.30	0	0.00
7	SUSHEELA MEHTA	3000	0.03	0	3000	0.03	0	0.00
8	MUNOTH INDUSTRIES LIMITED	9500	0.10	0	9500	0.10	0	0.00
9	SOUTHINDIA CHEMICALS & LEASING (P) LTD	1212500	12.57	0	1212500	12.57	0	0.00
10	MAHARANA FINANCE & INVESTMENTS(P) LTD	198107	2.05	0	198107	2.05	0	0.00
11	MUNOTH BIOSCIENCE LIMITED	78525	0.81	0	78525	0.81	0	0.00
12	MUNOTH FINANCIAL SERVICES LIMITED	705482	7.31	0	705482	7.31	0	0.00
13	SHANKESWAR FINANCE & INVESTMENTS(P) LTD	25000	0.26	0	25000	0.26	0	0.00
	<i>Total</i>	2842087	29.45	0.00	2842087	29.45	0.00	0.00

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

SI. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company

THERE IS NO CHANGE IN THE PROMOTER'S SHAREHOLDING AT THE BEGINNING OF THE YEAR (01/04/2016) AND AT THE END OF THE YEAR (31/03/2017)



## MUNOTH COMMUNICATION LIMITED

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	CHIP K LIM At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	1000000 1000000	10.36 10.36	1000000 1000000	10.36 10.36
2	FENG PAT SE At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	1000000 1000000	10.36 10.36	1000000 1000000	10.36 10.36
3	LEE FOO SAN At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	1000000 1000000	10.36 10.36	1000000 1000000	10.36 10.36
4	VICTOR RAJ At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	1000000 1000000	10.36 10.36	1000000 1000000	10.36 10.36
5	BANK OF BARODA At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	300000 300000	3.10 3.10	300000 300000	3.10 3.10
6	PARSHOTAM G KHEMANI At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	200109 200109	2.07 2.07	200109 200109	2.07 2.07
7	RAVE GLOBALS LIMITED At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	117600 117600	1.21 1.21	117600 117600	1.21 1.21
8	SARDA RESOURCES (P) LIMITED At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	99100 99100	1.02 1.02	99100 99100	1.02 1.02
9	KUMBHAT FINANCIAL SERVICES LIMITED At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	91200 91200	0.94 0.94	91200 91200	0.94 0.94
10	EPSOM PROPERTIES LIMITED At the beginning of the year 01/04/2016 At the end of the year 31/03/2017	71000 71000	0.73 0.73	71000 71000	0.73 0.73



## MUNOTH COMMUNICATION LIMITED

### (v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	JASWANT MUNOTH				
	At the beginning of the year 01/04/2016	148475	1.53	148475	1.53
	Changes during the year	NO CHANGE DURING THE YEAR			
	At the end of the year 31/03/2017	148475	1.53	148475	1.53
2	BHARAT MUNOTH				
	At the beginning of the year 01/04/2016	90950	0.94	90950	0.94
	Changes during the year	NO CHANGE DURING THE YEAR			
	At the end of the year 31/03/2017	90950	0.94	90950	0.94
3	VIKAS MUNOTH				
	At the beginning of the year 01/04/2016	58173	0.60	58173	0.60
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2017	58173	0.60	58173	0.60
4	LALCHAND MUNOTH				
	At the beginning of the year 01/04/2016	125350	1.29	125350	1.29
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2017	125350	1.29	125350	1.29
5	JAYANTILAL JAIN M				
	At the beginning of the year 01/04/2016	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2017	0	0.00	0	0.00
6	C R SASI				
	At the beginning of the year 01/04/2016	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2017	0	0.00	0	0.00
7	S ANANTHAPADMANABHAN (CFO)				
	At the beginning of the year 01/04/2016	400	0.01	400	0.01
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2017	400	0.01	400	0.01
8	JINAL JAIN (Company Secretary)				
	At the beginning of the year 01/04/2016	0	0.00	0	0.00
	Changes during the year	NO CHANGES DURING THE YEAR			
	At the end of the year 31/03/2017	0	0.00	0	0.00



**MUNOTH COMMUNICATION LIMITED**

**V INDEBTEDNESS**

In Rs.

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

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
<i>i) Principal Amount</i>	11,30,997	0	0	11,30,997
<i>ii) Interest due but not paid</i>	0	0	0	0
<i>iii) Interest accrued but not due</i>	0	0	0	0
<b>Total (i+ii+iii)</b>	11,30,997	0	0	11,30,997
<b>Change in Indebtedness during the financial year</b>				
<i>Additions</i>	0	0	0	
<i>Reduction</i>	6,48,343	0	0	
<b>Net Change</b>	6,48,343	0	0	
<b>Indebtedness at the end of the financial year</b>				
<i>i) Principal Amount</i>	4,82,654	0	0	4,82,654
<i>ii) Interest due but not paid</i>	0	0	0	0
<i>iii) Interest accrued but not due</i>	0	0	0	
<b>Total (i+ii+iii)</b>	4,82,654	0	0	4,82,654

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

In Rs.

<b>Sl.No</b>	<b>Particulars of Remuneration</b>	<b>Name of the MD/WTD/Manager</b>	<b>Total Amount</b>
1	<b>Gross salary</b>	<b>Mr. Jaswant Munoth (MD)</b>	
	<i>(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.</i>	0	0
	<i>(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961</i>	0	0
	<i>(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961</i>	0	0
2	<i>Stock option</i>	NA	NA
3	<i>Sweat Equity</i>	NA	NA
4	<i>Commission</i>	NA	NA
	<i>as % of profit</i>		
	<i>others (specify)</i>		
5	<i>Others, please specify</i>	NA	NA
	<b>Total (A)</b>	0	0
	<b>Ceiling as per the Act</b>	<i>with in overall ceiling as mentioned in Section II of Part II of Schedule V of Act</i>	



**MUNOTH COMMUNICATION LIMITED**

**B. Remuneration to other directors:**

**In Rs.**

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	<i>Independent Directors</i>		
	(a) Fee for attending board committee meetings	NA	NA
	(b) Commission		
	(c ) Others, please specify Remuneration for providing consulting and advice for mobile accessories project	0	0
	<b>Total (1)</b>	NA	NA
2	<i>Other Non Executive Directors</i>		
	(a) Fee for attending board committee meetings	NA	NA
	(b) Commission		
	(c ) Others, please specify.		
	<b>Total (2)</b>	NA	NA
	<b>Total (B)=(1+2)</b>		
	<b>Total Managerial Remuneration</b>	0	0
	<b>Overall Ceiling as per the Act.</b>	<i>with in overall ceiling as mentioned in Section II of Part II of Schedule V of Act</i>	

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

**In Rs.**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO & MD	Company Secretary	CFO	Total
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	3,60,000	2,40,000	6,00,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	
2	Stock Option	0	0	0	
3	Sweat Equity	0	0	0	
4	Commission	0	0	0	
	as % of profit				
	others, specify				
5	Others, please specify	0	0	0	
	<b>Total</b>		3,60,000	2,40,000	6,00,000



## MUNOTH COMMUNICATION LIMITED

### VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
<i>Penalty</i>	NA	NA	NA	NA	NA
<i>Punishment</i>	NA	NA	NA	NA	NA
<i>Compounding</i>	NA	NA	NA	NA	NA
<b>B. DIRECTORS</b>					
<i>Penalty</i>	NA	NA	NA	NA	NA
<i>Punishment</i>	NA	NA	NA	NA	NA
<i>Compounding</i>	NA	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
<i>Penalty</i>	NA	NA	NA	NA	NA
<i>Punishment</i>	NA	NA	NA	NA	NA
<i>Compounding</i>	NA	NA	NA	NA	NA

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

Place : Chennai  
Date : 23/05/2017

**Jaswant Munoth**  
Managing Director

**Vikas Munoth**  
Director



ANNEXURE 3

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**1. Industry Structure and Development:**

The rapid proliferation of mobile phones has created a burgeoning market demand for mobile phone accessories globally, leading to an exponential market growth. The global mobile phone accessories market is projected to register a high CAGR of 6.9% during the period 2015 to 2025 across the key regions of North America, Latin America, Western Europe, Eastern Europe, Asia Pacific excluding Japan (APEJ), Japan, and the Middle East and Africa. Major trends observed in the market include rising mergers and acquisitions, diversification of product portfolio and product advancement, as well as new product development across the globe.

The global mobile phone accessories market has been segmented on the basis of products into protective case, headphone/earphone, charger, memory card, battery, power bank, portable speaker, and others. The market is also segmented by price range into premium, mid, and low; and on the basis of distribution channels into multi-brand store (further sub-segmented into organised store and independent store), single-brand store, and online store.

**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:**

The Company is proposing to set up an assembly unit to assemble power bank and battery pack given conducive environment and attractive fiscal incentives by Government of India and State Government.

**4. Business operations**

**PCBA:**

Your Company has made sales worth Rs. 29, 31,699 for the year ending 31st March 2017 as against Rs.20, 68,233 for the year ending 31st March 2016.

**BRANDED ACCESSORIES:**

Your Company has made sales worth Rs. 89, 88,452 for the year ending 31st March 2017 as against Rs.22, 82,191 for the year ending 31st March 2016.

Further, the loss has been reduced to Rs. 53, 35,183 for the year ending 31st March 2017 from Rs. 58, 64,889 for the year ending 31st March 2016.

**5. Strength and Weakness**

India's mobile market is making strong strides with the improvement of economy and consumer sentiment. The total market for ICT products and services in India is expected to increase and influence the mobile industry in the country. Demand for mobile value-added services is strong and expected to grow and there is also an abundant availability of skilled and technically qualified workforce to meet the existing demand.

Unstable sales, high service cost, expensive infrastructure and government rules and regulations may create difficult for the customers to avail such services.

**6. Opportunities and Threats:**

As the most important method of communicating, mobile phones will not be replaced by other types of technology recently. There is no evidence showing mobile phones will disappear in the next few decades, so this industry will keep booming for a long time till another technology arise and replace mobile phones and its accessories.





Mobile phone and accessories shops nearby customers could offer the same service and products as yours at cheap price, creating an advent of huge unorganized market.

**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, The following are the Key trends shaping up the outlook of the global mobile phone accessories market:

**Key Trends in India's Mobile Phone Accessories Market**

- Irregular electricity & power distribution infrastructure in India serves as a catalyst for consumption of power banks. In some cases, mobile phone users in India lack proximity to suitable power source, which further necessitates use of accessories such as power banks. Buying power banks that could charge multiple devices in a go, is trending in mobile phone accessories market in India. In the span of next ten years, sales of power banks in India will account for over \$350 million in terms of revenues.
- Demand for modular smartphones and mobile phones are likely to increase in India, providing an opportune scope for mobile phone accessories that are limited to compatibility with specific device connectors. Furthermore, various products sold as mobile phone accessories in India have been able to attain compatibility with computers and laptops and vice-a-versa, broadening scope of end-use among consumers.
- Technological advancements are openhandedly welcomed by Indian consumers, triggering an opportunity for sales of other mobile phone accessories such as keyboard attachments, cameras, dongles, selfie sticks, thermal imaging cameras, VR headsets, protective screens and wireless ear buds, among others. With surge in sales of other related products, the mobile phone accessories market in India is likely to generate over \$150 million revenues.
- Multi-brand stores are trending as the most-preferred distribution channel for buying mobile phone accessories in India. States in North India will continue to dominate by accounting for over 30% of the market revenues, while states in South and West India will collectively account for half of India's mobile phone accessories revenues in the span of next ten years.

**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.

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

Place : Chennai  
Date : 23/05/2017

**Jaswant Munoth**  
Managing Director

**Vikas Munoth**  
Director



## MUNOTH COMMUNICATION LIMITED

**ANNEXURE 4**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,  
Munoth Communication Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MUNOTH COMMUNICATION LIMITED. (Hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ("the Company") for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



## MUNOTH COMMUNICATION LIMITED

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; I have also examined compliance with the applicable clauses of the following:
  - Secretarial Standards issued by The Institute of Company Secretaries of India.
  - The Listing Agreements/ Listing Regulations entered into by the Company with BSE.

I/we further report that, based on the information provided by the company, its officers and authorised representatives during the conduct of audit, and also on review of quarterly compliance reports submitted by the officers, in my opinion, adequate systems and processes and control mechanism exists in the Company to monitor and ensure compliance with other applicable laws such as labour laws , etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations mentioned below:

- The Company has appointed Ms.Jinal Jain, Company Secretary (Membership No. A43177) as the Company Secretary of the Company with effect from May 13, 2016.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

During the year Mr. Lalchand Munoth, was appointed as Director of the Company.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has not issued /carried out

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

I further report that during the audit period, there were no other specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, having a major bearing on the Company's affairs.

Place : Chennai  
Date : 23/05/2017

Name of Company Secretary in practice :  
N.SELVAM  
ACS/FCS No.4318  
C P No.:4858



## MUNOTH COMMUNICATION LIMITED

### Annexure 5

#### **Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### **Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

#### **Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.) NA

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the subsidiary	
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.



## MUNOTH COMMUNICATION LIMITED

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures NA

Name of associates/Joint Ventures	CFORE TELECOM LIMITED
1. Latest audited Balance Sheet Date	31/03/2017
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	3,77,400
Amount of Investment in Associates /Joint Venture	Rs. 37,74,000
Extend of Holding%	37.74%
3. Description of how there is significant influence	Controls more than 20% of the total share capital
4. Reason why the associate/joint venture is not consolidated	Consolidated
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. (66,80,835)
6. Profit/Loss for the year	
i. Considered in Consolidation	Rs. 23,925/-
ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations. – NIL

2. Names of associates or joint ventures which have been liquidated or sold during the year. – NIL

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

As per our report of even date

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

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

Ajit Kumbhat  
Partner

Lalchand Munoth  
[Chairman]

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]

Membership Number : 19582  
Place : Chennai  
Date : 23/05/2017

S Anantha Padmanabhan  
CFO

Jinal Jain  
Company Secretary



## MUNOTH COMMUNICATION LIMITED

### ANNEXURE 6

#### **FORM NO. AOC -2**

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

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

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

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis. NIL

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

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

Place : Chennai  
Date : 23/05/2017

**Jaswant Munoth**  
Managing Director

**Vikas Munoth**  
Director



## MUNOTH COMMUNICATION LIMITED

### ANNEXURE 7

#### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Jaswant Munoth- N.A Mr. Bharat Munoth NA Mr. Vikas Munoth NA Mr. M Jayantilal Jain NA Mr C R Sasi – NA Mr.Lalchand Munoth- NA Ms.Lakshika Mehta - NA
(ii)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Jaswant Munoth: NA Mr. Bharat Munoth: NA Mr. Vikas Munoth: NA Mr. M Jayantilal Jain NA Mr C R Sasi NA Mr. S AnanthaPadmanabhan(CFO) - Ms.Lakshika Mehta - NA No increase
(iii)	the percentage increase in the median remuneration of employees in the financial year	0.00%
(iv)	the number of permanent employees on the rolls of company	5
(v)	the explanation on the relationship between average increase in remuneration and company performance	There is no increase in remuneration except for increase paid to employees due to additional responsibilities/promotion
(vi)	comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Remuneration of Key Managerial Personnel: CFO 2.4 Lakhs. Company Secretary - 3.6 Lakhs Net loss of the Company for the year Rs.89.42 Lakhs
(vii)	variations in the market capitalisation of the company  price earnings ratio as at the closing date of the current financial year and previous financial year percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	The market capitalisation as on 29/03/2017 was Rs. 168.87 Lacs ( last year as on 31/03/2016 was Rs. 184.30 Lacs ) NA  The Company had come out with the Initial Public Offer (IPO) in May 1995 at Rs. 10/- in per share with a cash premium of Rs.20/- per share & rights issue in April 1995 of Rs. 10/- each at a premium of Rs. 5/- per share. As on 29/03/2017, the market price per share is Rs. 1.75/- per share.



## MUNOTH COMMUNICATION LIMITED

(viii)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	No increase in Managerial Remuneration.
(ix)	comparison of the each remuneration of the Key Managerial Personnel against the Performance of the company	Mr. Anantha Padmanabhan (CFO) - Rs. 2.4 Lakhs per annum Ms.Jinal Jain (Company Secretary)- Rs.3.6 Lakhs per annum. Net loss of the Company for the year Rs.89.42 Lakhs
(x)	the key parameters for any variable component of remuneration availed by the directors	No variable component of remuneration availed by directors
(xi)	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	NA
(xii)	affirmation that the remuneration is as per the remuneration policy of the company	It is affirmed that the remuneration is as per the remuneration policy of the Company.

Details of the employees of the Company - Pursuant to section 197 (Rule 5) of the Companies act 2013.  
The Company does not have employee who is drawing more than Rs. 60 Lakhs per annum during the year.

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

Place : Chennai  
Date : 23/05/2017

**Jaswant Munoth**  
Managing Director

**Vikas Munoth**  
Director





Annexure – II

CEO AND CFO CERTIFICATION

(Pursuant to Clause 49 of the Listing Agreement)

The Board of Directors,  
Munoth Communication Limited,  
343, Triplicane High Road,  
Triplicane,  
Chennai - 600 005.

Certificate by Chief Executive Officer and Chief Financial Officer

We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2017 and that to the best of our knowledge and belief, we hereby certify that

1. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading.
2. These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
3. That, there are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
5. We have informed the auditors and the audit committee that
  - There were no significant changes in internal control during the year
  - There were no significant changes in accounting policies during the year
  - There has been no instances of fraud.
6. We further declare that all Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the financial year.

Place: Chennai  
Date: 23/05/2017

**S AnanthaPadmanabhan**  
CFO

**Jaswant Munoth**  
Managing Director & CEO



**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 31st March, 2017, the Statement of Profit and Loss, the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and



## MUNOTH COMMUNICATION LIMITED

give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March 2017, and its loss and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November 2016 to December 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management-Refer Note 2.6.

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

**Ajit Kumbhat**  
Partner

M.No.:019582

Place : Chennai  
Date : 23/05/2017



**Annexure A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) During the year fixed assets has been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanation given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.
- (ii) (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.
- (iii) According to the information and explanations given to us and on the basis of our examination, the Company has not granted during the year any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 and accordingly, paragraphs 3 (iii) (b), (c) and (d) of the Order are not applicable.
- (iv) According to the information and explanations given to us the company has not given loan to its directors **but made investments in it's Associate Company during the year**. However it does not attract the provisions of section 185 and 186 of the Companies Act, 2013. Accordingly paragraph 3(iv) are not applicable.
- (v) According to the information and explanations given to us and on the basis of our examination, the company has not accepted any deposits from the public. As informed to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunals. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the products and services rendered of the company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and Other Statutory dues.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding as at 31st March 2017 for a period of more than six months from the date they become payable except for Service tax payable on reverse charge amounting to Rs. 52,943/-.



## MUNOTH COMMUNICATION LIMITED

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- viii) Based on the audit procedures and as per the information and explanations given by the management, the company has not defaulted in repayment of dues to any financial institutions or bank..
- (ix) According to the information and explanations given to us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and no term loans were applied other than the purposes for which those are raised.
- (x) Based on the audit procedures and as per the information and explanations given by the management, the company has not committed any fraud and no fraud on the Company has been committed by its officers or employees during the year.
- (xi) According to the information and explanations given to us, no managerial remuneration has been paid and hence this clause is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements , as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made during the year under review and hence this clause is not applicable.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence this clause not applicable.

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

**Ajit Kumbhat**  
Partner  
M.No.:019582

Place : Chennai  
Date : 23/05/2017



**Annexure - B to the Auditors' Report**

***Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")***

We have audited the internal financial controls over financial reporting of Munoth Communication Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in



accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Ajit Kumbhat**  
Partner  
M.No.:019582

Place : Chennai  
Date : 23/05/2017



## MUNOTH COMMUNICATION LIMITED

### BALANCE SHEET AS ON 31 MARCH 2017

(All Amounts Are In Indian Rupees, Except Share Data And As Stated)

Equity and Liabilities	Notes	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>Shareholders' Fund</b>			
Share capital	3	99,513,427	99,513,427
Reserves and surplus	4	<u>-4,500,867</u>	<u>5,434,703</u>
		<b>95,012,560</b>	<b>104,948,130</b>
<b>Non Current Liabilities</b>			
Long-term borrowings	5	482,654	1,130,997
Long-term Provisions	6	<u>1,520,000</u>	<u>1,520,000</u>
		<b>2,002,654</b>	<b>2,650,997</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	9,715,525	11,282,192
Trade payables	8	-	218
Other current liabilities	9	<u>1,662,002</u>	<u>1,466,514</u>
		<b>11,377,527</b>	<b>12,748,924</b>
<b>Total</b>		<b>108,392,741</b>	<b>120,348,051</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	10A	32,247,569	33,473,372
Intangible assets	10B	884,264	1,945,381
Non-current Investments	11	38,516,052	40,723,052
Long-term loans and advances	12	12,277,400	12,242,400
Other non-current assets	13	<u>9,150,069</u>	<u>9,137,821</u>
		<b>93,075,354</b>	<b>97,522,026</b>
<b>Current Assets</b>			
Inventories	14	9,813,147	13,091,095
Trade receivables	15	4,592,691	5,693,804
Cash and bank balances	16	237,578	3,222,387
Short-term loans and advances	12	-	145,658
Other current assets	13	<u>673,971</u>	<u>673,082</u>
		<b>15,317,388</b>	<b>22,826,025</b>
<b>Total</b>		<b>108,392,741</b>	<b>120,348,051</b>

Summary of Significant accounting policies 1

The accompanying notes form an intergal part of the financial statements. 2

As per our report of even date

**For KUMBHAT & CO**

**Firm Registration Number : 001609S**  
Chartered Accountants

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

Ajit Kumbhat  
Partner  
Membership Number : 19582  
Place : Chennai  
Date : 23/05/2017

Lalchand Munoth  
[Chairman]  
S Anantha Padmanabhan  
CFO

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]

Jinal Jain  
Company Secretary





## MUNOTH COMMUNICATION LIMITED

### Statement of Profit and Loss for the year ended 31 March 2017

(All Amounts Are In Indian Rupees, Except Share Data And As Stated)

Continuing Operations	Notes	Year ended 31st March 2017 Rs.	Year ended 31st March 2016 Rs.
Revenue from operations	17	11,920,151	4,350,424
Other income	18	12,680	710,771
<b>Total revenue (I)</b>		<b>11,932,831</b>	<b>5,061,195</b>
<b>Expenses</b>			
Purchase of Stock-in-trade		6,229,409	5,884,694
Cost of Material Consumed	19	1,457,514	140,000
Increase/decrease in inventories of Traded goods	20	1,852,348	-2,585,468
Employee benefit expenses	21	1,359,478	1,127,921
Other expenses	22	6,369,265	6,358,938
<b>Total (II)</b>		<b>17,268,014</b>	<b>10,926,085</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)</b>		<b>-5,335,183</b>	<b>-5,864,889</b>
Depreciation and amortisation expenses	23	1,841,127	2,722,276
Finance Cost	24	1,766,029	1,233,559
<b>Profit/(Loss) before Tax</b>		<b>-8,942,339</b>	<b>-9,820,724</b>
Deferred tax asset written off			
<b>Tax expenses</b>		<b>0</b>	<b>0</b>
<b>Loss for the year</b>		<b>-8,942,339</b>	<b>-9,820,724</b>
<b>Earnings per equity share [nominal value of share Rs.10]</b>	<b>25</b>		
	<b>Face value Rs.</b>		
<b>Basic</b>	<b>10.00</b>	<b>-0.93</b>	<b>-1.02</b>
<b>Diluted</b>	<b>10.00</b>	<b>-0.93</b>	<b>-1.02</b>
Summary of Significant accounting policies		1	
The accompanying notes form an intergal part of the financial statements.		2	

As per our report of even date

**For KUMBHAT & CO**

**Firm Registration Number : 001609S**  
Chartered Accountants

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

Ajit Kumbhat  
Partner  
Membership Number : 19582  
Place : Chennai  
Date : 23/05/2017

Lalchand Munoth  
[Chairman]  
S Anantha Padmanabhan  
CFO

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]  
Jinal Jain  
Company Secretary



## MUNOTH COMMUNICATION LIMITED

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

	Year ended 31 March 2017 Rs.	Year ended 31 March 2016 Rs.
<b>Cash flow from operating activities</b>		
Profit before tax	-8,942,339	-9,820,724
<b>Non-cash adjustment to reconcile profit before tax to net cash flows :</b>		
Depreciation/amortisation	1,841,127	2,722,276
Provision for gratuity	0	70,000
Provision for Bad Debt	0	0
Advance written off	0	0
Preliminary Expenses w/o	0	0
Loss/(Profit) on sale of fixed asset	0	-310,621
Interest expense	1,710,137	1,187,130
Dividend Income	-12,461	-15,896
	-5,403,535	-6,167,835
<b>Operating profit before working capital changes</b>		
<b>Movements in working capital :</b>		
Increase/(decrease) in Trade payables	-218	-13,210
Increase/(decrease) in Long-Term Provisions		-93,854
Increase/(decrease) in Short-Term Provisions	0	0
Other Long Term Liability	0	0
Increase/(decrease) in Other current liabilities	195,488	680,367
Decrease/(Increase) in Trade receivables	1,101,113	-1,506,796
Decrease/(Increase) in Inventories	3,277,948	-2,445,468
Decrease/(Increase) in Long-Term loans and advances	-35,000	-566,900
Decrease/(Increase) in Short- Term loans and advances	145,658	-30,000
Decrease/(Increase) in Other current assets	-890	-673,082
Decrease/(Increase) in Other Non- current assets	-12,248	14,345
<b>Cash generated from/(used in) operations</b>	<b>-731,684</b>	<b>-10,802,433</b>
Direct taxes paid ( Net of refunds)	0	0
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>-731,684</b>	<b>-10,802,433</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets,including intangible assets,	-547,439	-3,531,904
Non current investments	2,207,000	0
Proceeds from sale of fixed assets	0	1,896,217
Redemption from Sale/Maturity of Current Investments	0	7,341,000
Dividend Received	12,461	15,896
Interest Received	0	0
<b>Net cash flow from/(used in) Investing Activity (B)</b>	<b>1,672,022</b>	<b>5,721,209</b>



## MUNOTH COMMUNICATION LIMITED

	Year ended 31 March 2017 Rs.	Year ended 31 March 2016 Rs.
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	-648,343	928,543
Repayment of long term borrowings		-379,940
Proceeds from short term borrowings	-1,566,667	8,440,632
Repayment of short term borrowings		
Interest paid	-1,710,137	-1,187,130
<b>Net cash flow from/(used in) Financing Activity (C)</b>	<b>-3,925,147</b>	<b>7,802,105</b>
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	<b>-2,984,810</b>	<b>2,720,881</b>
Cash and cash equivalents at the beginning of the year	3,222,387	501,506
<b>Cash and cash equivalents at the end of the year</b>	<b>237,577</b>	<b>3,222,387</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	6,768	220,596
Cheques/drafts on hand		2,750,000
With banks-on current account		
- Current Account	230,810	251,790
- on deposit account (margin money)		
- Overdrafts		
<b>Total cash and cash equivalents</b>	<b>237,578</b>	<b>3,222,387</b>

As per our report of even date

**For KUMBHAT & CO**

**Firm Registration Number : 001609S**

Chartered Accountants

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

Ajit Kumbhat  
Partner

Membership Number : 19582

Place : Chennai

Date : 23/05/2017

Lalchand Munoth  
[Chairman]

S Anantha Padmanabhan  
CFO

Jaswant Munoth  
[Managing Director]

Jinal Jain  
Company Secretary

Bharat Munoth  
[Director]



## MUNOTH COMMUNICATION LIMITED

### Notes to financial statement for the year ended 31 March 2017

3 Share capital	31 March 2017 Rs.	31 March 2016 Rs.
<b>Authorised Share</b>		
12000000 number of Equity shares of Rs.10 each	120,000,000	120,000,000
<b>Issued, Subscribed and Fully Paid up Share Capital:</b>	<u>96,494,000</u>	<u>96,494,000</u>
9649400 number of Equity shares of Rs.10 each	<b>96,494,000</b>	<b>96,494,000</b>

#### a. Reconciliation of share outstanding at the beginning and at the end of the reporting period

##### Equity shares

	31 March 2017		31 March 2016	
	No of shares	Rs.	No of shares	Rs.
At the beginning of the period	9,649,400	96,494,000	9,649,400	96,494,000
Outstanding at the end of the period	9,649,400	96,494,000	9,649,400	96,494,000

#### b Details of shareholders holding more than 5% shares in the company

Name of the shareholder	31 March 2017		31 March 2016	
	No of shares	% of holding	No of shares	% of holding
South India Chemicals & Leasing Pvt Ltd	1,212,500	13%	1,212,500	13%
Chip K Lim	1,000,000	10%	1,000,000	10%
Feng Pat Se	1,000,000	10%	1,000,000	10%
Lee Foo San	1,000,000	10%	1,000,000	10%
Victor Raj	1,000,000	10%	1,000,000	10%
Munoth Financial Services Ltd	689,000	7%	689,000	7%

<b>c No of shares Forfeited :</b>	350,600	350,600
Amount originally paid up(Rs.)	3,019,427	3,019,427

Rights, preferences and restrictions attached to on Equity Shares

The Company has a single class of equity shares. Accordingly all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preferences shareholders. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

In the even of liquidation of the Company the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

4 Reserves and surplus	31 March 2017 Rs.	31 March 2016 Rs.
<b>Securities premium account</b>		
Balance as per last financial statement	56,104,079	<b>56,104,079</b>
<b>Revaluation reserve</b>		
Balance as per last financial statement	28,475,944	28,475,944
Add: Additions during the year		-
Less: Transferred from Profit and Loss Account	<u>993,232</u>	<u>-</u>
<b>Closing balance</b>	<b>83,586,791</b>	<b>84,580,023</b>
<b>General Reserve</b>		
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statement	-79,145,320	-69,324,597
Profit for the year	<u>-8,942,339</u>	<u>-9,820,723</u>
<b>Net surplus in the statement of profit and loss</b>	<b>-88,087,659</b>	<b>-79,145,320</b>
<b>Total Reserve and Surplus</b>	<b>-4,500,867</b>	<b>5,434,703</b>



## MUNOTH COMMUNICATION LIMITED

5 Long- term borrowings	Non- current portion		Current maturities	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Rs.	Rs.	Rs.	Rs.
<b>Term loans</b>				
From financial institutions (secured)				
Indian Bank Term Loan (Secured against Primary Security - Hypothecation of stocks purchased /imported & book Debts of less than 90 days, and Collateral security - EM of property in the name of “ Munoth Communication Ltd. at “Munoth Centre” Suite no. 48,343, Triplicane High Road, Chennai-600005 , repayable in 10 equal quarterly installments)	-	-	-	-
BMW Financial Services Ltd (Secured Against Company's Car, repayable over 84 months starting from Oct 2010)	-	202,454	204,681	294,159
TOYOTA FINANCIAL SERVICES LIMITED (Secured Against Company's Car, repayable over 36 months starting from April 2016)	482,654	928,543	443,198	411,457
<b>Other loans and advance</b>	<b>482,654</b>	<b>1,130,997</b>	<b>647,879</b>	<b>705,616</b>
<b>6 Long Term Provisions</b>		<b>31 March 2017</b>		<b>31 March 2016</b>
		<b>Rs.</b>		<b>Rs.</b>
Provision for post employment benefits		1,520,000		1,520,000
		<b>1,520,000</b>		<b>1,520,000</b>
<b>7 Short Term Borrowings</b>		<b>31 March 2017</b>		<b>31 March 2016</b>
		<b>Rs.</b>		<b>Rs.</b>
Loans Repayable on Demands				
a) Banks				
Indian Bank Overdraft (Repayable on demand at the interest rate of 14.25% secured against Current assets)		9,715,525		11,282,192
		<b>9,715,525</b>		<b>11,282,192</b>
<b>8 Trade Payables</b>		<b>31 March 2017</b>		<b>31 March 2016</b>
		<b>Rs.</b>		<b>Rs.</b>
Trade Payables				
a) Total Outstanding dues of Micro Enterprises and small enterprises		-		-
b) Total Outstanding dues of Creditors other than Micro Enterprises and small enterprises		-		218
		-		218
<b>9 Other current liabilities</b>		<b>31 March 2017</b>		<b>31 March 2016</b>
		<b>Rs.</b>		<b>Rs.</b>
a Current maturities of long term borrowings (refer note 5)		647,879		705,616
b <b>Other payables</b>				
i) Statutory dues		931,626		605,010
ii) Outstanding Expenses		82,497		155,888
		<b>1,662,002</b>		<b>1,466,514</b>



**10A FIXED ASSETS**

(Rs.)

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 1.04.2016	Addition		Deletion	As on 31.03.2017	As on 1.04.2016	For the Year	Withdrawal	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
		Before Sep	After Sep								
Land*	26,699,500	-	-	-	26,699,500	-	-	-	-	26,699,500	26,699,500
Building*	6,671,730	-	-	-	6,671,730	3,121,926	588,334	-	3,710,260	2,961,470	3,549,804
Plant & Equipment	2,365,838	483,991	63,448	-	2,913,277	1,693,601	244,137	-	1,937,738	975,539	672,237
Furniture & Fittings	4,715,670	-	-	-	4,715,670	4,465,954	123,069	-	4,589,023	126,647	249,716
Vehicles	4,410,393	-	-	-	4,410,393	2,229,855	817,702	-	3,047,557	1,362,836	2,180,538
Computers & Softwares	2,595,610	-	-	-	2,595,610	2,474,033	-	-	2,474,033	121,577	121,577
	<b>47,458,741</b>	<b>483,991</b>	<b>63,448</b>	<b>-</b>	<b>48,006,180</b>	<b>13,985,370</b>	<b>1,773,242</b>	<b>-</b>	<b>15,758,612</b>	<b>32,247,569</b>	<b>33,473,372</b>

- 53 -

**10B Fixed Asset**

(Rs.)

	GROSS BLOCK					DEPRECIATION			NET BLOCK		
	As on 1.04.2016	Addition		Deletion	Total	As on 1.4.2016	For the Year	Withdrawal	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
		Before Sep	After Sep								
Built in Universal Charger Project	3183351	-	-	-	3183351	1237970	1061117	-	2299087	884264	1945381
	<b>3183351</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3183351</b>	<b>1237970</b>	<b>1061117</b>	<b>-</b>	<b>2299087</b>	<b>884264</b>	<b>1945381</b>



11 Non Current Investments  
(Valued at cost unless stated otherwise)

Particulars	Number		Amount					
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017			As at 31.03.2016		
			Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions	Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions
<b>A. Investment in Associates</b>								
I Trade Investments								
II Non-Trade Investments:								
(i)Equity Shares (Fully Paid)								
- Quoted								
Munoth Financial Services Ltd	1,015,800	1015800	10323292	-	10323292	10323292	-	10323292
<b>Total</b>	<b>1,015,800</b>	<b>1,015,800</b>	<b>10,323,292</b>	<b>-</b>	<b>10,323,292</b>	<b>10,323,292</b>	<b>-</b>	<b>10,323,292</b>
(ii)Equity Shares (Fully Paid)								
- Unquoted								
Munoth Neg Wind Farm Ltd	59,000	59000	462540	-	462540	462540	-	462,540.00
Munoth Industries Ltd	380,800	380800	3125000	-	3125000	3125000	-	3,125,000.00
India Mobile Network Pvt Ltd	70,000	70000	700000	350000	350,000.00	700000	-	700,000.00
Core Telecom Limited (formerly known as Munoth gfive telecom ltd)	377,400	377400	3804000	3774000	30000	3774000	1,887,000.00	1,887,000
<b>Total</b>	<b>887,200</b>	<b>887,200</b>	<b>8,091,540</b>	<b>4,124,000</b>	<b>3,967,540</b>	<b>8,061,540</b>	<b>1,887,000</b>	<b>6,174,540</b>

11 Non Current Investments  
(Valued at cost unless stated otherwise)

Particulars	Number		Amount					
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017			As at 31.03.2016		
			Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions	Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions
<b>B. Other Investments</b>								
<b>I Trade Investments</b>								
<b>II Non-Trade Investments:</b>								
<b>(i)Equity Shares (Fully Paid) -</b>								
<b>Quoted</b>								
<i>Tatia Stock &amp; Options Ltd Now merged with</i>								
<i>Tatia Global Ventures Ltd</i>	620000	620000	5396800	-	5396800	5396800	-	5396800
<i>Colgate Palmolive</i>	100.00	100.00	25000	-	25000	25000	-	25000
<i>Elforge Ltd</i>	700	700	7000	-	7000	7000	-	7000
<i>Jaiprakash industries LTd</i>	25	25	19000	-	19000	19000	-	19000
<i>Kiroskar brothers Ltd</i>	20	20	6000	-	6000	6000	-	6000
<i>Phoneix international Ltd</i>	500	500	5000	-	5000	5000	-	5000
<i>Rajnarayan Financial Services Ltd</i>	135300	135300	2520000	-	2520000	2520000	-	2520000
<i>Rane brake linings Ltd</i>	100	100	18000	-	18000	18000	-	18000
<i>Reliance Capital Limited</i>	500	500	288940	-	288939.94	288939.94	-	288940
<i>Reliance Communication Limited</i>	1500	1500	320749	-	320749.43	320749.43	-	320749
<i>Reliance Infrastructure Limited</i>	500	500	336761	-	336760.77	336760.77	-	336761
<i>Reliance Power Limited</i>	2250	2250	1654166	-	1654166.24	1654166.24	-	1654166
<i>Talavadi Rocks &amp; Minerals LTd</i>	4000	4000	40000	-	40000	40000	-	40000
<i>Beneras State Bank Ltd</i>	97800	97800	4890000	-	4890000	4890000	-	4890000
<i>Beneras State Bank Ltd</i>	50000	50000	500000	-	500000	500000	-	500000
<i>Laser Diamonds Ltd</i>	9500	9500	9500	-	9500	9500	-	9500
<i>E metals Limited</i>	28000	28000	258000	258000	-	258000	258000	-
<i>Computer Power(I) limited</i>	800000	800000	800000	800000	-	800000	800000	-
<i>Soform system limited</i>	347500	347500	3475000	-	3475000	3475000	-	3475000
<i>Orient Exports Limited</i>	3300	3300	10461	-	10461	10461	-	10461
<i>U T I Master Gain 92</i>	433	433	650	-	650	650	-	650
<i>Vertex Securities</i>	800000	800000	2400000	-	2400000	2400000	-	2400000
<i>Deepak Fertilisers &amp; Chem Ltd</i>	50	50	693	-	693	693	-	693
<i>Tata Elexi Ltd</i>	50	50	1500	-	1500	1500	-	1500
<b>Total</b>	<b>2902128</b>	<b>2902128</b>	<b>22983220</b>	<b>1058000</b>	<b>21925220</b>	<b>22983220</b>	<b>1,058,000.00</b>	<b>21925220</b>





11 Non Current Investments  
(Valued at cost unless stated otherwise)

Particulars	Number		Amount					
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017			As at 31.03.2016		
			Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions	Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions
<b>(ii)Equity Shares (Fully Paid)</b>								
<b>- Unquoted</b>								
<i>Perfect stones ltd.</i>	230000	230000	2300000	-	2300000	2300000	-	2,300,000
<i>Life line inject LTd</i>	400	400	4000	4000	-	4000	4000	-
<i>EBF Finance Limited</i>	6600	6600	317000	317000	-	317000	317000	-
<i>Grandlease Florex limited</i>	11000	11000	110000	110000	-	110000	110000	-
<i>Gujarat Inject Limited</i>	400	400	4000	4000	-	4000	4000	-
<i>Vijayakumar Mills Limited</i>	50	50	2000	2000	-	2000	2000	-
<i>VSM Finance &amp; Investment Limited</i>	1900	1900	19000	19000	-	19000	19000	-
<b>Total</b>	<b>250350</b>	<b>250350</b>	<b>2756000</b>	<b>456000</b>	<b>2300000</b>	<b>2304000</b>	<b>456000</b>	<b>2300000</b>
<b>Total</b>	<b>5,055,478</b>	<b>5,055,478</b>	<b>44,154,052</b>	<b>5,638,000</b>	<b>38,516,052</b>	<b>43,672,052</b>	<b>3,401,000</b>	<b>40,723,052</b>

- 56 -

**Summary**

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Quoted</b>		
Cost	33,306,512	33,306,512
Market Value	11,291,451	11,291,451
<b>Unquoted</b>		
Cost	10,847,540	10,365,540
<b>Accumulated Provision till date</b>	<b>5,638,000</b>	<b>3,401,000</b>
<b>Total Cost of Investments net of Provisions</b>	<b>38,516,052</b>	<b>40,271,052</b>





**Computation of Market value for Quoted Investments**

Particulars	Number of shares as at 31.03.2017	Cost of the Shares	Market Rate/ Share	Market Value of shares
Munoth Financial Services Ltd	1,015,800.00	10,323,292.00	7.65	7770870
Tatia Stock & Options Ltd Now merged with Tatia Global Ventures Ltd	620,000.00	620,000.00	0.32	198400
Colgate Palmolive	100.00	25,000.00	998.35	99835
Elforge Ltd	700.00	7,000.00	4.3	3010
Kirloskar brothers Ltd	20.00	6,000.00	253.65	5073
Phoneix international Ltd	500.00	5,000.00	9.13	4565
Rane brake linings Ltd	100.00	18,000.00	1028.65	102865
Reliance Capital Limited	500.00	288,939.94	615.2	307600
Reliance Communication Limited	1,500.00	320,749.43	38.3	57450
Reliance Infrastructure Limited	500.00	336,760.77	568.45	284225
Reliance Power Limited	2,250.00	1,654,166.24	48	108000
Laser Diamonds Ltd	9,500.00	9,500.00	0.77	7315
Vertex Securities	800,000.00	2,400,000.00	2.82	2256000
Deepak Fertilisers & Chem Ltd	50.00	692.50	261.7	13085
Tata Elexi Ltd	50.00	1,500.00	1463.15	73157.5
<b>Total</b>		<b>16016600.87</b>		<b>11291450.5</b>



## MUNOTH COMMUNICATION LIMITED

### 12 Long term Loans and advances

Particulars	Non- current		Current	
	31 March 2017 Rs.	31 March 2016 Rs.	31 March 2017 Rs.	31 March 2016 Rs.
Advances recoverable in cash or kind - unsecured considered good	12,277,400	12,242,400	-	145,658
<b>Total</b>	<b>12,277,400</b>	<b>12,242,400</b>	<b>-</b>	<b>145,658</b>

### 13 Other Non Current assets

Particulars	Non-current		Current	
	31 March 2017 Rs.	31 March 2016 Rs.	31 March 2017 Rs.	31 March 2016 Rs.
Balance with Government authorities	6,843,204	6,829,715	-	-
VAT Input tax Credit	-	-	673,971	673,082
Others	2,306,865	2,308,106	-	-
<b>Total</b>	<b>9,150,069</b>	<b>9,137,821</b>	<b>673,971</b>	<b>673,082</b>
Shown under Current Asset	-	-	<b>673,971</b>	<b>673,082</b>

14 Inventories (valued at lower of cost and net realizable value)	31 March 2017	31 March 2016
Raw Materials	4,594,400	6,020,000
Traded Goods	5,218,747	7,071,095
<b>Total</b>	<b>9,813,147</b>	<b>13,091,095</b>

15 Trade receivables	31 March 2017 Rs.	31 March 2016 Rs.
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months		
- considered good	4,580,032	5,685,320
- considered doubtful	-	-
	4,580,032	5,685,320
Less : provision for Doubtful Receivables <b>(A)</b>	-	-
	4,580,032	5,685,320
<b>Other Receivables</b>		
- considered good	12,659	8,484
- considered doubtful	-	-
	12,659	8,484
Less : provision for Doubtful Receivables <b>(B)</b>	-	-
	12,659	8,484
<b>Total (A+B)</b>	<b>4,592,691</b>	<b>5,693,804</b>

16 Cash and Cash Equivalents	31 March 2017 Rs.	31 March 2016 Rs.
Cash on hand	6,768	220,596
Balances with banks:		
On current accounts	230,810	251,790
Cheques on Hand	-	2,750,000
<b>Total</b>	<b>237,578</b>	<b>3,222,387</b>



## MUNOTH COMMUNICATION LIMITED

### 17 Revenue from operations

Revenue from operations	31 March 2017	31 March 2016
	Rs.	Rs.
Sale of Goods (Net of Returns)	11,920,151	4,350,424
<b>Revenue from operations (gross)</b>	<b>11,920,151</b>	<b>4,350,424</b>
Less: Excise duty	-	-
<b>Revenue from operations (net)</b>	<b>11,920,151</b>	<b>4,350,424</b>

#### \*- Sale of Goods

	31 March 2017	31 March 2016
	Rs.	Rs.
Trading sales	8,988,452	2,282,191
Sales from Manufactured items	2,931,699	2,068,233
<b>Total</b>	<b>11,920,151</b>	<b>4,350,424</b>

### 18 Other income

	31 March 2017	31 March 2016
	Rs.	Rs.
Dividend income on Shares and Mutual Fund	12,461	15,896
Income from sale of investments	-	290,400
Provision for lease tax payable written back (sundry income)	-	93,854
Profit on Sale of Asset	-	310,621
Other non-operating income (net of expenses directly attributable to such income of		
Write Back of Trade payable	219.17	-
	<b>12,680</b>	<b>710,771</b>

### 19 Cost of Material Consumed

	31 March 2017	31 March 2016
	Rs.	Rs.
Opening Stock of Materials	6,020,000	6,160,000
Purchase during the year	31,914	-
Less: Closing Stock of Materials	4,594,400	6,020,000
	<b>1,457,514</b>	<b>140,000</b>

### 20 (Increase)/decrease in inventories

	31 March 2017	31 March 2016
	Rs.	Rs.
<b>Inventories at the end of the year (31 march 2017)</b>		
Traded goods		
Stock-Mobiles	-	1,366,301
Stock-Mobiles Accessories	5,218,747	5,704,794
<b>Inventories at the beginning of the year ( 1st April 2016)</b>	<b>5,218,747</b>	<b>7,071,095</b>
Traded goods		
Stock-Mobiles	1,366,301	3,421,977
Stock-Mobile Accessories( Built in Charger)	5,704,794	1,063,650
	<b>7,071,095</b>	<b>4,485,627</b>
	<b>1,852,348</b>	<b>-2,585,468</b>



## MUNOTH COMMUNICATION LIMITED

<b>21 Employee benefit expense</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Salaries, wages and bonus	1,217,000	938,704
Contribution to provident and super annuation fund	54,266	43,797
Gratuity expense- Provision	-	70,000
Staff welfare expenses	58,062	44,770
Ex- Gratia	30,150	30,650
	<b>1,359,478</b>	<b>1,127,921</b>
<b>22 Other expenses</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Power and fuel	291,513	257,032
Packing Charges	109,973	
Rates and taxes, excluding, taxes on income	416,477	347,153
Insurance	73,472	74,006
Repairs and maintenance		
Vehicles	342,610	371,883
Buiding Maintenance	49,596	357,846
Others	77,981	23,608
Advertising and sales promotion	244,362	1,065,161
Travelling and conveyance	511,624	870,837
Communication expense	88,379	91,431
Office Maintenance	34,300	19,024
Printing and stationery	726,199	337,075
Professional & Consultancy fees	172,585	183,580
Provisions:		
For Diminution in value of Investment	2,237,000	1,887,000
For Long term Advance	165,658	
Audit Fees	149,500	100,000
Discount Allowed	184,313	
Miscellaneous expenses	145,238	82,927
Carraige Inward		1,300
Share Transfer Expenses	54,730	66,329
General Expenses	75,574	147,481
Carriage outward	218,181	26,182
Penalty		49,083
	<b>6,369,265</b>	<b>6,358,938</b>
<b>Payment to auditor</b>		
Audit fee	60,000	60,000
Tax audit fee	49,500	-
Others	40,000	40,000
	<b>149,500</b>	<b>100,000</b>
<b>23 Depreciation and amortization expense</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Depreciation of tangible assets	1,773,242	1,661,159
Amortization of intangible assets	1,061,117	1,061,117
Less: Recoupment from Revaluation Reserve	993,232	
	<b>1,841,127</b>	<b>2,722,276</b>



## MUNOTH COMMUNICATION LIMITED

<b>24 Finance costs</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Interest	1,710,137	1,187,130
Bank charges	55,892	46,429
	<b>1,766,029</b>	<b>1,233,559</b>

<b>25 Earnings per share (EPS)</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
<b>Particulars</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Loss for the year/ period - in Rs.</b>	<b>-8,942,339</b>	<b>-9,820,724</b>
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	9,649,400	9,649,400
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	9,649,400	9,649,400
<b>Face value per share - in Rs.</b>	<b>10.00</b>	<b>10.00</b>
Earnings per share (Basic) - in Rs.		
Basic - in Rs.	-0.93	-1.02
Diluted - in Rs.	-0.93	-1.02

### NOTES TO ACCOUNTS

#### Related Party

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

##### List of Related Parties with whom transaction have taken place :

Fellow subsidiaries	-NA-
Associates	C FORE TELECOM LIMITED
Key management personnel	Mr. Jaswant Munoth Mr.Srinivasan Ananthapadmanabhan Ms. Jinal Jain
Companies having common directors	1. M/s. South India Chemicals & Leasing Private Limited 2. M/s. Munoth Financial Services Ltd 3. M/s. Munoth Neg Windfarm Private Limited 4. M/s. Munoth Industries Limited

#### 2 Related party transactions

2.1 The following table provides the total amount of transactions that have been entered into with related parties

2.1.1 for the relevant financial year:

<b>a. Non Current Investments</b>	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Munoth Financial Services Ltd	10,323,292	10,323,292	15,727,292
Munoth Neg Wind Farm Ltd - unquoted	462,540	462,540	462,540
Munoth Industries Ltd-unquoted	3,125,000	3,125,000	3,125,000
Cfore Telecom Limited (formerly known as Munoth gfive telecom ltd)	30,000	1,887,000	3,774,000
India Mobile Network Pvt Ltd	350,000	700,000	750,000

#### 2.2 Investments

The Company holds certain Investments in Equity Shares the carrying Amounts of which have been



## MUNOTH COMMUNICATION LIMITED

written off in the Books as in the opinion of the Management, they were not realisable/ recoverable, the Details of such Investments are not included in the Investments Schedule and are furnished below.

<b>Names of the Body Corporate</b>	<b>Quantity</b>	<b>Cost (INR)</b>
Ambuja Foods limited	100.00	0.00
Amethi Textiles Ltd	100.00	0.00
Appollo Tubes Lts	70,000.00	0.00
Arihant Costlyn Ltd	100.00	0.00
Asian Tractors Ltd	100.00	0.00
Avon Industires Ltd	100.00	0.00
Bharat Textiles & Proofing India Ltd	6,200.00	0.00
Bhiwani Denim Ltd	100.00	0.00
Blue Blend Petro	250.00	0.00
BTW Industries Ltd	100.00	0.00
Cethar Industries Ltd	30,000.00	0.00
Computer Power Indian Limited	493,500.00	0.00
Coramandel Granited	29,200.00	0.00
Decan Granited Ltd	100.00	0.00
Delight Handicrafts palace Ltd	3,200.00	0.00
Deve Sugars Ltd	6,200.00	0.00
Flawless Diamonds Ltd	100.00	0.00
Gujarat Ambuja Cotspyn	100.00	0.00
Gujarat Ambuja Proteins	10.00	0.00
Gujarat Tele Cables	50.00	0.00
Hytai sun Magnetics Ltd	100.00	0.00
India Castor Ltd	3,300.00	0.00
Indo French Bio Ent Ltd	500.00	0.00
Indo Greman prod Ltd	17,600.00	0.00
Indo Maxwell Ltd	100.00	0.00
Jain Granites and Pro India Ltd	37,300.00	0.00
Jamshedpur Metal TR Ltd	-	0.00
Jaswal Granites Ltd	200.00	0.00
Kesharayia Granites Ltd	5,300.00	0.00
Kothari Securities Ltd	200,000.00	0.00
Leena Textiles Ltd	3,500.00	0.00
Mangul Knits Ltd	10,600.00	0.00
Neo Intex Mills Ltd	1,400.00	0.00
Mpec Textiles Ltd	700.00	0.00
Nutech Financial Services Ltd	90,000.00	0.00
Orient Organics Limited	1,700.00	0.00
Pentafour Products L	23,500.00	0.00
Prveen Propetied Limited(Partly Paid)	178,500.00	0.00
Prudential MouliSugars Ltd	200.00	0.00



## MUNOTH COMMUNICATION LIMITED

Ramkish Tyres Ltd	100.00	0.00
Rave Globals Ltd	495,000.00	0.00
Si Properties Ltd	1,500.00	0.00
Sri Vani Sugars & Chem Ltd	1,100.00	0.00
Stan Packs	5,000.00	0.00
Talawadi Rocks & Miner Pro Ltd	10,000.00	0.00
U B Petro Prod Ltd	100.00	0.00
Usha India Ltd(Usharectifier)	100.00	0.00
Vinsari Fruitech Ltd	48,800.00	0.00
White House Cotton Indl Ltd	4,000.00	0.00
Ceat Financial Services Ltd	11,050.00	0.00
Chandra Prabhu Housing Ltd	71,500.00	0.00
Excel Finance Ltd	13,500.00	0.00
Innovation Securities Ltd	5,500.00	0.00
Mercantile Credit Corpn Ltd	50.00	0.00
Olympia Capitals & Management Ltd	4,300.00	0.00
Sanmac Motor Finance	2,900.00	0.00
Shasun Finance Ltd	1,000.00	0.00
Total	<b>2,850,743.00</b>	-

However, the Company is in possession and record of such Share Certificates / Title of ownership and in the event of any possible realisation of any Gains on the disposal of such shares, the same will be recognised as Income in the respective Financial Years.

### 2.3 Retirement and Other Benifits to the Employees

The number of persons employed by the Company falls below the limits prescribed under the Payment of Gratuity Act, 1972 and hence not covered under the Payment of Gratuity Act. Hence the Company has not provided for Gratuity Liability based on actuarial Valuation. The Company made provision for Gratuity Liability on the basis of estimates made by the Company . However, in the opinion of the Management the impact of Non Provision of Gratuity Liability under Actuarial Valuation will not be material considering the minimal number of Employees employed by the Company.

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.

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

### 2.4 Trade receivables, Trade payables, Earnest money deposit, Security deposit and Loans & Advances are subject to confirmation and reconciliation.

In the opinion of the management and to the best of their knowledge, the current assets, loans and advances, shown in the balance sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated therein.

The company has certain advances which have been contested and a favourable decree has been obtained. In the opinion of the Management and as per legal opinion these advances are recoverable consequently no provision has been made in the books





## MUNOTH COMMUNICATION LIMITED

### 2.5 .Disclosure of specified Bank Notes

During the year, the Company has specified bank notes or other denomination note as defined in the MCA Notification G.S.R308(E) dated 31 March 2017. On the details of specified bank notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016., the denomination wise SBN and other notes as per the notification are given below :

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on 8 November 2016	-	6,290	6,290
Add: Permitted receipts	-	3,538	3,538
Less: Permitted Payments	-	-	-
Less: Amount Deposited in Banks	-	1,993	1,993
Closing Balance as on 30th December 2016	-	7,835	7,835

For the purpose of this clause, the term specified bank note shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance - Department of Economic Affairs No. S.O.3407 (E), dated 8 November 2016.

2.6 Previous year's figures have been regrouped and rearranged wherever necessary to confirm to current years classification/disclosures.

As per our report of even date

**For KUMBHAT & CO**

**Firm Registration Number : 001609S**  
Chartered Accountants

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

Ajit Kumbhat  
Partner  
Membership Number : 19582  
Place : Chennai  
Date : 23/05/2017

Lalchand Munoth  
[Chairman]  
S Anantha Padmanabhan  
CFO

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]  
Jinal Jain  
Company Secretary



## MUNOTH COMMUNICATION LIMITED

### **SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017:**

#### **1. SIGNIFICANT ACCOUNTING POLICIES:**

##### **1.1. BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified under Section 133 of the Act, read with Rule 7 of the Companies (accounts) Rules 2014 in terms of the provisions of the Companies Act, 2013. These accounts have been prepared on the assumption that the Company is a going concern and have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian GAAP.

##### **1.2 Use of estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements has been made relying on these estimates. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimated. Any revision to accounting estimates is recognised prospectively in the current and future periods.

##### **1.3 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.

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

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

##### **1.4 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.

##### **1.5. INTANGIBLE ASSETS:**

Intangible assets are stated at cost less accumulated amortization and it is amortized over a period of three years.

##### **1.7. DEPRECIATION:**

**1.7.1** Depreciation on owned assets is provided on Written down value method at the rates based on the useful life of the assets estimated by management which is in accordance with the useful lives prescribed under Schedule II of the Companies Act, 2013.

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

##### **1.8. IMPAIRMENT OF TANGIBLE AND INTANGIBLE FIXED ASSETS**

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized



wherever the carrying amount of an asset exceeds its recoverable amount which is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flow are discounted to their present value using pre-tax discount rate that reflects current market assessments of time value of money and risks specific to the asset.

Impairment losses are recognized in the statement of profit and loss except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve upto the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the assets over the remaining useful life.

A previously recognized impairment loss is increased or reversed depending on the changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**1.9. INVESTMENTS:**

Investment that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provisions for diminution in value is made to recognize a decline other than temporary in the value of the Investments

On disposal of an investment, the difference between its carrying and net disposal proceeds is charged or credited to statement of profit and loss.

**1.10. VALUATION OF INVENTORIES :**

Closing Stocks are valued at lower of cost or net realizable value. Cost are generally ascertained using weighted average method.

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

**1.11.1. Gratuity:**

The number of persons employed by the Company falls below the limits prescribed under the Payment of Gratuity Act, 1972 and being hence not covered under the Payment of Gratuity Act, the Company does not provided for Gratuity Liability based on actuarial Valuation. under such circumstances the Company made provision for Gratuity Liability on the basis of estimates made by the Company .

**1.12. Operating Leases :**

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the Leased assets are classified as operating leases. Operating Lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the period of lease.

Leases in which significant portion of risk and reward are retained by lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight line basis over the period of lease.

**1.13. 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 not required to be provided as depreciation as per books is more than depreciation as per Income Tax Act 1961.

Deferred tax assets are not recognized unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

**1.14. CASH FLOW STATEMENT:(AS-3)**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of 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.

**1.15. Current and Non Current Assets and Liabilities**

Assets and liabilities are classified as current and non-current based on the operating cycle which has been estimated to be 12 months. All assets and liabilities which are expected to be realized and settled within a period of 12 months from the date of Balance sheet have been classified as current and other assets and liabilities are classified as non-current.

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**CONSOLIDATED  
FINANCIAL STATEMENTS  
2016-17**

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MUNOTH COMMUNICATION LIMITED

We have audited the accompanying Consolidated financial statements of **Munoth Communication Ltd** hereinafter referred to as “**the Holding company**” and its Associate, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

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

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation for the consolidated financial statements by the Directors of the Holding company, as aforesaid.

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

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act, and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making, those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the holding company as an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors



in terms of their reports referred to in sub paragraph (a) of the other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

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

- a) In case of Balance sheet, of the consolidated state of affairs of the Group and its associate as **at 31st March, 2017**;
- b) In case of consolidated Profit and Loss, of the **Loss** for the year ended date; and
- c) In case of the consolidated Cash Flow statement, of the **cash flows** for the year ended on that date.

### Other Matters

The consolidated financial statements includes the group's share of net profit of Rs. 23,925 for the year ended 31<sup>st</sup> March 2017.

### Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central government of India in terms of section 143(11) of the Act, based on the comments in the auditor's report of the Holding company and associate companies incorporated in India, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding company as on 31st March, 2017 taken on record by the Board of Directors of the Holding company and the report of the statutory auditors of associate companies incorporated in India, none of the directors of the Group and its associate companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



## MUNOTH COMMUNICATION LIMITED

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group and its associate companies does not have any long term contracts including forward exchange contracts.
  - ii. The Group and its associate companies is not required to transfer any amounts to the Investor Education and Protection Fund.

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

**Ajit Kumbhat**  
Partner  
M.No.:019582

Place : Chennai  
Date : 23/05/2017

### **Annexure A to the Independent Auditors’ Report**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Holding Company and Associate companies have maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) All the assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Holding Company and associate companies and the nature of its fixed assets. According to the information and explanation given to us and other auditors, No such serious discrepancies were noticed on such verification.
- (c) According to the information and explanation given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.
- (ii) (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals for the holding and associate companies.
- (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 holding company and its associates are generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- (iii) According to the information and explanations given to us and on the basis of our examination, the holding company and its associates have not granted during the year any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 and accordingly, paragraphs 3 (iii) (b), (c) and (d) of the Order are not applicable.





## MUNOTH COMMUNICATION LIMITED

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- (iv) According to the information and explanations given to us the holding company and its associates have not given loan to its directors. Holding company has made investment during the year but the same does not attract the provisions of section 185 and 186 of the Companies Act, 2013. Accordingly paragraph 3(iv) are not applicable.
- (v) According to the information and explanations given to us and on the basis of our examination, the holding company and its associates have not accepted any deposits from the public. As informed to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunals. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the products and services rendered of the holding company and its associates. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the records of the company, the holding company and its associates are generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and Other Statutory dues.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding as at 31st March 2016 for a period of more than six months from the date they become payable except for Service tax payable on reverse charge amounting to Rs. 52,943/-.
- viii) Based on the audit procedures and as per the information and explanations given by the management, the holding company and its associates have not defaulted in repayment of dues to any financial institutions or bank.
- (ix) According to the information and explanations given to us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and no term loans were applied other than the purposes for which those are raised by the holding company and its associates.
- (x) Based on the audit procedures and as per the information and explanations given by the management, the holding company and its associates have not committed any fraud and no fraud on the holding company and its associates have been committed by its officers or employees during the year.
- (xi) According to the information and explanations given to us, no managerial remuneration has been paid and hence this clause is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the holding company and its associates are not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards for the holding company and its associates.
- (xiv) According to the information and explanations given to us, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made during the year under review and hence this clause is not applicable.



## MUNOTH COMMUNICATION LIMITED

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- (xv) According to the information and explanations given to us, the holding company and its associates have not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The holding company and its associates are not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence this clause not applicable.

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

**Ajit Kumbhat**  
Partner  
M.No.:019582

Place : Chennai  
Date : 23/05/2017

### **Annexure - B to the Auditors' Report**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of Munoth Communication Limited (hereinafter referred to as "the Holding Company") and its associate companies which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding company and its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Guidance Note on Audit of IFC 274**

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal



control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company and its associate companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

### **Guidance Note on Audit of IFC 276**

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two associate companies and which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India

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

**Ajit Kumbhat**  
Partner

M.No.:019582

Place : Chennai  
Date : 23/05/2017



## MUNOTH COMMUNICATION LIMITED

### CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2017

(All Amounts Are In Indian Rupees, Except Share Data And As Stated)

Equity and Liabilities	Notes	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>Shareholders' Fund</b>			
Share capital	3	99,513,427	99,513,427
Reserves and surplus	4	<u>-4,500,164</u>	<u>10,680,655</u>
		<b>95,013,263</b>	<b>110,194,082</b>
<b>Non Current Liabilities</b>			
Long-term borrowings	5	482,654	1,130,997
Long-term Provisions	6	<u>1,520,000</u>	<u>1,520,000</u>
		<b>2,002,654</b>	<b>2,650,997</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	9,715,525	11,282,192
Trade payables	8	-	218
Other current liabilities	9	1,662,002	1,466,514
		<u>11,377,527</u>	<u>12,748,924</u>
<b>Total</b>		<b>108,393,444</b>	<b>125,594,003</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	10A	32,247,569	33,473,372
Intangible assets	10B	884,264	1,945,381
Non-current Investments	11	38,516,755	45,969,004
Long-term loans and advances	12	12,277,400	12,242,400
Other non-current assets	13	<u>91,50,069</u>	<u>9,137,821</u>
		<b>93,076,056</b>	<b>102,767,978</b>
<b>Current Assets</b>			
Inventories	14	9,813,147	13,091,095
Trade receivables	15	4,592,691	5,693,804
Cash and bank balances	16	237,578	3,222,387
Short-term loans and advances	12	-	145,658
Other current assets	13	<u>673,971</u>	<u>673,082</u>
		<b>15,317,388</b>	<b>22,826,025</b>
<b>Total</b>		<b>108,393,444</b>	<b>125,594,003</b>

Summary of Significant accounting policies 1

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

Ajit Kumbhat  
Partner  
Membership Number : 19582  
Place : Chennai  
Date : 23/05/2017

Lalchand Munoth  
[Chairman]  
S Anantha Padmanabhan  
CFO - 75 -

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]

Jinal Jain  
Company Secretary



## MUNOTH COMMUNICATION LIMITED

### Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(All Amounts Are In Indian Rupees, Except Share Data And As Stated)

Continuing Operations	Notes	Year ended 31st March 2017 Rs.	Year ended 31st March 2016 Rs.
Revenue from operations	17	11,920,151	4,350,424
Other income	18	12,680	420,371
<b>Total revenue (I)</b>		<b><u>11,932,831</u></b>	<b><u>4,770,795</u></b>
<b>Expenses</b>			
Purchase of Stock-in-trade		6,229,409	5,884,694
Cost of Material Consumed	19	1,457,514	140,000
Increase/decrease in inventories of Traded goods	20	1,852,348	-2,585,468
Employee benefit expenses	21	1,359,478	1,127,921
Other expenses	22	6,369,265	6,358,938
<b>Total (II)</b>		<b><u>17,268,014</u></b>	<b><u>10,926,085</u></b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)</b>		<b>-5,335,183</b>	<b>-6,155,289</b>
Depreciation and amortisation expenses	23	1,841,127	2,722,276
Finance Cost	24	1,766,029	1,233,559
<b>Profit/(Loss) before Tax</b>		<b><u>-8,942,339</u></b>	<b><u>-10,111,124</u></b>
Deferred tax asset written off			
<b>Tax expenses</b>		<b>0</b>	<b>0</b>
<b>Share of Profit/Loss from Associates</b>			
(a) C Fore		23,924.63	-23,221.94
(b) MFSL		-	-534,634.16
<b>Loss for the year</b>		<b><u>-8,918,414</u></b>	<b><u>-10,668,980</u></b>
<b>Earnings per equity share [nominal value of share Rs.10]</b>	<b>25</b>		
	<b>Face value Rs.</b>		
<b>Basic</b>	<b>10.00</b>	<b>-0.92</b>	<b>-1.11</b>
<b>Diluted</b>	<b>10.00</b>	<b>-0.92</b>	<b>-1.11</b>

Summary of Significant accounting policies

1

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

Ajit Kumbhat  
Partner  
Membership Number : 19582  
Place : Chennai  
Date : 23/05/2017

Lalchand Munoth  
[Chairman]  
S Anantha Padmanabhan  
CFO

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]

Jinal Jain  
Company Secretary



## MUNOTH COMMUNICATION LIMITED

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

	Year ended 31 March 2017 Rs.	Year ended 31 March 2016 Rs.
<b>Cash flow from operating activities</b>		
Profit before tax	-8,942,338.62	-10,111,124.16
<b>Non-cash adjustment to reconcile profit before tax to net cash flows :</b>		
Depreciation/amortisation	1,841,126.89	2,722,276.00
Provision for gratuity	-	70,000.00
Provision for Bad Debt	-	-
Advance written off	-	-
Preliminary Expenses w/o	-	-
Loss/(Profit) on sale of fixed asset	-	-310,621.17
Interest expense	1,710,137.00	1,187,129.99
Dividend Income	-12,460.60	-15,896.05
	-5,403,535.33	-6,458,235.39
<b>Operating profit before working capital changes</b>		
<b>Movements in working capital :</b>		
Increase/(decrease) in Trade payables	-218.00	-13,210.00
Increase/(decrease) in Long-Term Provisions	-93,854.00	-
Increase/(decrease) in Short-Term Provisions	-	-
Other Long Term Liability	-	-
Increase/(decrease) in Other current liabilities	195,487.66	680,367.49
Decrease/(Increase) in Trade receivables	1,101,113.05	-1,506,796.08
Decrease/(Increase) in Inventories	3,277,948.30	-2,445,468.17
Decrease/(Increase) in Long-Term loans and advances	-35,000.00	-566,900.00
Decrease/(Increase) in Short- Term loans and advances	145,657.90	-30,000.00
Decrease/(Increase) in Other current assets	-889.61	-673,082.28
Decrease/(Increase) in Other Non- current assets	-12,248.00	14,345.00
<b>Cash generated from/(used in) operations</b>	<b>-731,684.03</b>	<b>-11,092,833.43</b>
Direct taxes paid ( Net of refunds)	-	-
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>-731,684.03</b>	<b>-11,092,833.43</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets,including intangible assets,	-547,439.00	-3,531,904.00
Non current investments	2,207,001.33	-
Proceeds from sale of fixed assets	-	1,896,217.00
Redemption from Sale/Maturity of Current Investments	-	7,631,400.00
Dividend Received	12,460.60	15,896.00
Interest Received	-	-
<b>Net cash flow from/(used in) Investing Activity (B)</b>	<b>1,672,022.93</b>	<b>6,011,609.00</b>



## MUNOTH COMMUNICATION LIMITED

	Year ended 31 March 2017 Rs.	Year ended 31 March 2016 Rs.
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	-648,342.96	928,543.00
Repayment of long term borrowings		-379,939.67
Proceeds from short term borrowings	-1,566,667.06	8,440,631.88
Repayment of short term borrowings		
Interest paid	-1,710,137.00	-1,187,129.99
<b>Net cash flow from/(used in) Financing Activity (C)</b>	<b>-3,925,147.02</b>	<b>7,802,105.22</b>
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	<b>-2,984,808.12</b>	<b>2,720,880.79</b>
Cash and cash equivalents at the beginning of the year	3,222,386.60	501,505.81
<b>Cash and cash equivalents at the end of the year</b>	<b>237,578.48</b>	<b>3,222,386.60</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	6,768.00	220,596.35
Cheques/drafts on hand		2,750,000.00
With banks-on current account		
- Current Account	230,810.48	251,790.25
- on deposit account (margin money)		
- Overdrafts		
Total cash and cash equivalents	<b>237,578.48</b>	<b>3,222,386.60</b>

As per our report of even date

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

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

Ajit Kumbhat  
Partner  
Membership Number : 19582  
Place : Chennai  
Date : 23/05/2017

Lalchand Munoth  
[Chairman]  
S Anantha Padmanabhan  
CFO

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]

Jinal Jain  
Company Secretary



## MUNOTH COMMUNICATION LIMITED

### Notes to financial statement for the year ended 31 March 2017

3 Share capital	31 March 2017 Rs.	31 March 2016 Rs.
<b>Authorised Share</b>		
12000000 number of Equity shares of Rs.10 each	120,000,000	120,000,000
<b>Issued, Subscribed and Fully Paid up Share Capital:</b>	<u>96,494,000</u>	<u>96,494,000</u>
9649400 number of Equity shares of Rs.10 each	<u><b>96,494,000</b></u>	<u><b>96,494,000</b></u>

#### a. Reconciliation of share outstanding at the beginning and at the end of the reporting period

##### Equity shares

	31 March 2017		31 March 2016	
	No of shares	Rs.	No of shares	Rs.
At the beginning of the period	9,649,400	96,494,000	9,649,400	96,494,000
Outstanding at the end of the period	9,649,400	96,494,000	9,649,400	96,494,000

#### b Details of shareholders holding more than 5% shares in the company

Name of the shareholder	31 March 2017		31 March 2016	
	No of shares	% of holding	No of shares	% of holding
South India Chemicals & Leasing Pvt Ltd	1,212,500	13%	1,212,500	13%
Chip K Lim	1,000,000	10%	1,000,000	10%
Feng Pat Se	1,000,000	10%	1,000,000	10%
Lee Foo San	1,000,000	10%	1,000,000	10%
Victor Raj	1,000,000	10%	1,000,000	10%
Munoth Financial Services Ltd	689,000	7%	689,000	7%

<b>c No of shares Forfeited :</b>	350,600	350,600
Amount originally paid up(Rs.)	3,019,427	3,019,427

Rights, preferences and restrictions attached to on Equity Shares

The Company has a single class of equity shares. Accordingly all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preferences shareholders. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

In the even of liquidation of the Company the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

4 Reserves and surplus	31 March 2017 Rs.	31 March 2016 Rs.
<b>Securities premium account</b>		
Balance as per last financial statement	56,104,079	<b>56,104,079</b>
<b>Revaluation reserve</b>		
Balance as per last financial statement	28,475,944	28,475,944
Add: Additions during the year	-	-
Less: Transferred from Profit and Loss Account	<u>993,232</u>	<u>-</u>
<b>Closing balance</b>	<u><b>83,586,791</b></u>	<u><b>84,580,023</b></u>
<b>General Reserve</b>		
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statement	-73,899,368.00	-63,230,388.41
Profit for the year	-8,918,414.00	-10,668,980.26
Earlier year share of profits from Associates	-5,269,173.00	-
<b>Net surplus in the statement of profit and loss</b>	<u><b>-88,086,955.00</b></u>	<u><b>-73,899,368.29</b></u>
<b>Total reserve and surplus</b>	<u><b>-4,500,164.09</b></u>	<u><b>10,680,655.04</b></u>





## MUNOTH COMMUNICATION LIMITED

5 Long- term borrowings	Non- current portion		Current maturities	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Rs.	Rs.	Rs.	Rs.
<b>Term loans</b>				
From financial institutions (secured)				
Indian Bank Term Loan (Secured against Primary Security - Hypothecation of stocks purchased /imported & book Debts of less than 90 days, and Collateral security - EM of property in the name of “ Munoth Communication Ltd. at “Munoth Centre” Suite no. 48,343, Triplicane High Road, Chennai-600005 , repayable in 10 equal quarterly installments)	-	-	-	-
BMW Financial Services Ltd (Secured Against Company's Car, repayable over 84 months starting from Oct 2010)	-	202,454	204,681	294,159
TOYOTA FINANCIAL SERVICES LIMITED (Secured Against Company's Car, repayable over 36 months starting from April 2016)	482,654	928,543	443,198	411,457
<b>Other loans and advance</b>	<b>482,654</b>	<b>1,130,997</b>	<b>647,879</b>	<b>705,616</b>
<b>6 Long Term Provisions</b>		<b>31 March 2017</b>		<b>31 March 2016</b>
		<b>Rs.</b>		<b>Rs.</b>
Provision for post employment benefits		1,520,000		1,520,000
		<b>1,520,000</b>		<b>1,520,000</b>
<b>7 Short Term Borrowings</b>		<b>31 March 2017</b>		<b>31 March 2016</b>
		<b>Rs.</b>		<b>Rs.</b>
Loans Repayable on Demands				
a) Banks				
Indian Bank Overdraft (Repayable on demand at the interest rate of 14.25% secured against Current assets)		9,715,525		11,282,192
		<b>9,715,525</b>		<b>11,282,192</b>
<b>8 Trade Payables</b>		<b>31 March 2017</b>		<b>31 March 2016</b>
		<b>Rs.</b>		<b>Rs.</b>
Trade Payables				
a) Total Outstanding dues of Micro Enterprises and small enterprises		-		-
b) Total Outstanding dues of Creditors other than Micro Enterprises and small enterprises		-		218
		0		218
<b>9 Other current liabilities</b>		<b>31 March 2017</b>		<b>31 March 2016</b>
		<b>Rs.</b>		<b>Rs.</b>
a Current maturities of long term borrowings (refer note 5)		647,879		705,616
b <b>Other payables</b>				
i) Statutory dues		931,626		605,010
ii) Outstanding Expenses		82,497		155,888
		<b>1,662,002</b>		<b>1,466,514</b>



**10A FIXED ASSETS**

(Rs.)

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 1.04.2016	Addition		Deletion	As on 31.03.2017	As on 1.04.2016	For the Year	Withdrawal	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
		Before Sep	After Sep								
Land*	26,699,500	-	-	-	26,699,500	-	-	-	-	26,699,500	26,699,500
Building*	6,671,730	-	-	-	6,671,730	3,121,926	588,334	-	3,710,260	2,961,470	3,549,804
Plant & Equipment	2,365,838	483,991	63,448	-	2,913,277	1,693,601	244,137	-	1,937,738	975,539	672,237
Furniture & Fittings	4,715,670	-	-	-	4,715,670	4,465,954	123,069	-	4,589,023	126,647	249,716
Vehicles	4,410,393	-	-	-	4,410,393	2,229,855	817,702	-	3,047,557	1,362,836	2,180,538
Computers & Softwares	2,595,610	-	-	-	2,595,610	2,474,033	-	-	2,474,033	121,577	121,577
	<b>47,458,741</b>	<b>483,991</b>	<b>63,448</b>	<b>-</b>	<b>48,006,180</b>	<b>13,985,370</b>	<b>1,773,242</b>	<b>-</b>	<b>15,758,612</b>	<b>32,247,569</b>	<b>33,473,372</b>

Revaluation of the part of the Block of the Assets being Land and two of the Buildings has been taken up by the Company in the financial year 2012-13

**10B Fixed Asset**

(Rs.)

	GROSS BLOCK					DEPRECIATION			NET BLOCK		
	As on 1.04.2016	Addition		Deletion	Total	As on 1.4.2016	For the Year	Withdrawal	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
		Before Sep	After Sep								
Built in Universal Charger Project	3183351	-	-	-	3183351	1237970	1061117	-	2299087	884264	1945381
	<b>3183351</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3183351</b>	<b>1237970</b>	<b>1061117</b>	<b>-</b>	<b>2299087</b>	<b>884264</b>	<b>1945381</b>



11 Non Current Investments  
(Valued at cost unless stated otherwise)

Particulars	Number		Amount					
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017			As at 31.03.2016		
			Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions	Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions
<b>A. Investment in Associates</b>								
<b>I Trade Investments</b>								
<b>II Non-Trade Investments:</b>								
<b>(i)Equity Shares (Fully Paid)</b>								
<b>- Quoted</b>								
<i>Munoth Financial Services Ltd</i>								
<i>Including value of Capital Reserve</i>								
<i>(Rs 1,42,58,074 ) as on 31.3.2006</i>	1,015,800	1015800	10323292	-	10323292	15592466	-	15,592,466.07
<b>Total</b>	<b>1,015,800</b>	<b>1,015,800</b>	<b>10,323,292</b>	<b>-</b>	<b>10,323,292</b>	<b>15,592,466</b>	<b>-</b>	<b>15,592,466</b>
<b>(ii)Equity Shares (Fully Paid)</b>								
<b>- Unquoted</b>								
<i>Munoth Neg Wind Farm Ltd</i>	59,000	59000	462540	-	462540	462540	-	462,540.00
<i>Munoth Industries Ltd</i>	380,800	380800	3125000	-	3125000	3125000	-	3,125,000.00
<i>India Mobile Network Pvt Ltd</i>	70,000	70000	700000	350000	350,000.00	700000	-	700,000.00
<i>Cfore Telecom Limited (formerly known as</i>								
<i>Munoth gfive telecom ltd) Including</i>								
<i>value of Goodwill (Rs 1081215)</i>								
<i>as on 31.3.2017</i>	377,400	377400	3804000	3774000	30702.69	3774000	1,887,000.00	1,863,778.06
<b>Total</b>	<b>887,200</b>	<b>887,200</b>	<b>8,091,540</b>	<b>4,124,000</b>	<b>3,968,243</b>	<b>8,061,540</b>	<b>1,887,000</b>	<b>6,151,318</b>

11 Non Current Investments

(Valued at cost unless stated otherwise)

Particulars	Number		Amount					
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017			As at 31.03.2016		
			Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions	Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions
<b>B. Other Investments</b>								
<b>I Trade Investments</b>								
<b>II Non-Trade Investments:</b>								
<b>(i)Equity Shares (Fully Paid) - Quoted</b>								
<i>Tatia Stock &amp; Options Ltd Now merged with</i>								
<i>Tatia Global Ventures Ltd</i>	620000	620000	5396800	-	5396800	5396800	-	5396800
<i>Colgate Palmolive</i>	100.00	100.00	25000	-	25000	25000	-	25000
<i>Elforge Ltd</i>	700	700	7000	-	7000	7000	-	7000
<i>Jaiprakash industries LTd</i>	25	25	19000	-	19000	19000	-	19000
<i>Kiroskar brothers Ltd</i>	20	20	6000	-	6000	6000	-	6000
<i>Phoneix international Ltd</i>	500	500	5000	-	5000	5000	-	5000
<i>Rajnarayan Financial Services Ltd</i>	135300	135300	2520000	-	2520000	2520000	-	2520000
<i>Rane brake linings Ltd</i>	100	100	18000	-	18000	18000	-	18000
<i>Reliance Capital Limited</i>	500	500	288940	-	288939.94	288939.94	-	288940
<i>Reliance Communication Limited</i>	1500	1500	320749	-	320749.43	320749.43	-	320749
<i>Reliance Infrastructure Limited</i>	500	500	336761	-	336760.77	336760.77	-	336761
<i>Reliance Power Limited</i>	2250	2250	1654166	-	1654166.24	1654166.24	-	1654166
<i>Talavadi Rocks &amp; Minerals LTd</i>	4000	4000	40000	-	40000	40000	-	40000
<i>Beneras State Bank Ltd</i>	97800	97800	4890000	-	4890000	4890000	-	4890000
<i>Beneras State Bank Ltd</i>	500000	500000	5000000	-	5000000	5000000	-	5000000
<i>Laser Diamonds Ltd</i>	9500	9500	9500	-	9500	9500	-	9500
<i>E metals Limited</i>	28000	28000	258000	258000	-	258000	258000	-
<i>Computer Power(I) limited</i>	800000	800000	800000	800000	-	800000	800000	-
<i>Sofcom system limited</i>	347500	347500	3475000	-	3475000	3475000	-	3475000
<i>Orient Exports Limited</i>	3300	3300	10461	-	10461	10461	-	10461
<i>U T I Master Gain 92</i>	433	433	650	-	650	650	-	650
<i>Vertex Securities</i>	800000	800000	2400000	-	2400000	2400000	-	2400000
<i>Deepak Fertilisers &amp; Chem Ltd</i>	50	50	693	-	693	693	-	693
<i>Tata Elexi Ltd</i>	50	50	1500	-	1500	1500	-	1500
<b>Total</b>	<b>2902128</b>	<b>2902128</b>	<b>22983220</b>	<b>1058000</b>	<b>21925220</b>	<b>22983220</b>	<b>1,058,000.00</b>	<b>21925220</b>



11 Non Current Investments

(Valued at cost unless stated otherwise)

Particulars	Number		Amount					
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017			As at 31.03.2016		
			Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions	Cost Rs.	Aggregate Value of Provisions	Net Value after Provisions
<b>(ii)Equity Shares (Fully Paid)</b>								
<b>- Unquoted</b>								
<i>Perfect stones Ltd.</i>	230000	230000	2300000	-	2300000	2300000	-	2,300,000
<i>Life line inject LTd</i>	400	400	4000	4000	-	4000	4000	-
<i>EBF Finance Limited</i>	6600	6600	317000	317000	-	317000	317000	-
<i>Grandlease Florex limited</i>	11000	11000	110000	110000	-	110000	110000	-
<i>Gujarat Inject Limited</i>	400	400	4000	4000	-	4000	4000	-
<i>Vijayakumar Mills Limited</i>	50	50	2000	2000	-	2000	2000	-
<i>VSM Finance &amp; Investment Limited</i>	1900	1900	19000	19000	-	19000	19000	-
<b>Total</b>	<b>250350</b>	<b>250350</b>	<b>2756000</b>	<b>456000</b>	<b>2300000</b>	<b>2304000</b>	<b>456000</b>	<b>2300000</b>
<b>Total</b>	<b>5,055,478</b>	<b>5,055,478</b>	<b>44,154,052</b>	<b>5,638,000</b>	<b>38,516,755</b>	<b>48,941,226</b>	<b>3,401,000</b>	<b>45,969,004</b>

- 84 -

**Summary**

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Quoted</b>		
Cost	33,306,512	38,575,686
Market Value	11,291,451	11,291,451
<b>Unquoted</b>		
Cost	10,847,540	10,365,540
<b>Accumulated Provision till date</b>	<b>5,638,000</b>	<b>3,401,000</b>
<b>Total Cost of Investments net of Provisions</b>	<b>38,516,052</b>	<b>45,540,226</b>





### Computation of Market value for Quoted Investments

Particulars	Number of shares as at 31.03.2017	Cost of the Shares	Market Rate/ Share	Market Value of shares
Munoth Financial Services Ltd	1,015,800.00	10,323,292.00	7.65	7770870
Tatia Stock & Options Ltd Now merged with Tatia Global Ventures Ltd	620,000.00	620,000.00	0.32	198400
Colgate Palmolive	100.00	25,000.00	998.35	99835
Elforge Ltd	700.00	7,000.00	4.3	3010
Kirloskar brothers Ltd	20.00	6,000.00	253.65	5073
Phoneix international Ltd	500.00	5,000.00	9.13	4565
Rane brake linings Ltd	100.00	18,000.00	1028.65	102865
Reliance Capital Limited	500.00	288,939.94	615.2	307600
Reliance Communication Limited	1,500.00	320,749.43	38.3	57450
Reliance Infrastructure Limited	500.00	336,760.77	568.45	284225
Reliance Power Limited	2,250.00	1,654,166.24	48	108000
Laser Diamonds Ltd	9,500.00	9,500.00	0.77	7315
Vertex Securities	800,000.00	2,400,000.00	2.82	2256000
Deepak Fertilisers & Chem Ltd	50.00	692.50	261.7	13085
Tata Elexi Ltd	50.00	1,500.00	1463.15	73157.5
<b>Total</b>		<b>16016600.87</b>		<b>11291450.5</b>



## MUNOTH COMMUNICATION LIMITED

### 12 Long term Loans and advances

Particulars	Non- current		Current	
	31 March 2017 Rs.	31 March 2016 Rs.	31 March 2017 Rs.	31 March 2016 Rs.
Advances recoverable in cash or kind - unsecured considered good	12,277,400	12,242,400	-	145,658
<b>Total</b>	<b>12,277,400</b>	<b>12,242,400</b>	<b>-</b>	<b>145,658</b>

### 13 Other Non Current assets

Particulars	Non-current		Current	
	31 March 2017 Rs.	31 March 2016 Rs.	31 March 2017 Rs.	31 March 2016 Rs.
Balance with Government authorities	6,843,204	6,829,715	-	-
VAT Input tax Credit	-	-	673,971	673,082
Others	2,306,865	2,308,106	-	-
<b>Total</b>	<b>9,150,069</b>	<b>9,137,821</b>	<b>673,971</b>	<b>673,082</b>
Shown under Current Asset	-	-	<b>673,971</b>	<b>673,082</b>

14 Inventories (valued at lower of cost and net realizable value)	31 March 2017	31 March 2016
Raw Materials	4,594,400	6,020,000
Traded Goods	5,218,747	7,071,095
<b>Total</b>	<b>9,813,147</b>	<b>13,091,095</b>

15 Trade receivables	31 March 2017 Rs.	31 March 2016 Rs.
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months		
- considered good	4,580,032	5,685,320
- considered doubtful	-	-
	4,580,032	5,685,320
Less : provision for Doubtful Receivables <b>(A)</b>	-	-
	4,580,032	5,685,320
<b>Other Receivables</b>		
- considered good	12,659	8,484
- considered doubtful	-	-
	12,659	8,484
Less : provision for Doubtful Receivables <b>(B)</b>	-	-
	12,659	8,484
<b>Total (A+B)</b>	<b>4,592,691</b>	<b>5,693,804</b>

16 Cash and Cash Equivalents	31 March 2017 Rs.	31 March 2016 Rs.
Cash on hand	6,768	220,596
Balances with banks:		
On current accounts	230,810	251,790
Cheques on Hand	-	2,750,000
<b>Total</b>	<b>237,578</b>	<b>3,222,387</b>



## MUNOTH COMMUNICATION LIMITED

### 17 Revenue from operations

Revenue from operations	31 March 2017	31 March 2016
	Rs.	Rs.
Sale of Goods (Net of Returns)	11,920,151	4,350,424
<b>Revenue from operations (gross)</b>	<b>11,920,151</b>	<b>4,350,424</b>
Less: Excise duty	-	-
<b>Revenue from operations (net)</b>	<b>11,920,151</b>	<b>4,350,424</b>

#### \*- Sale of Goods

	31 March 2017	31 March 2016
	Rs.	Rs.
Trading sales	8,988,452	2,282,191
Sales from Manufactured items	2,931,699	2,068,233
<b>Total</b>	<b>11,920,151</b>	<b>4,350,424</b>

### 18 Other income

	31 March 2017	31 March 2016
	Rs.	Rs.
Dividend income on Shares and Mutual Fund	12,461	15,896
Income from sale of investments	-	-
Provision for lease tax payable written back (sundry income)	-	-93,854
Profit on Sale of Asset	-	310,621
Other non-operating income (net of expenses directly attributable to such income of		
Write Back of Trade payable	219.17	
	<b>12,680</b>	<b>420,371</b>

### 19 Cost of Material Consumed

	31 March 2017	31 March 2016
	Rs.	Rs.
Opening Stock of Materials	6,020,000	6,160,000
Purchase during the year	31,914	-
Less: Closing Stock of Materials	4,594,400	6,020,000
	<b>1,457,514</b>	<b>140,000</b>

### 20 (Increase)/decrease in inventories

	31 March 2017	31 March 2016
	Rs.	Rs.
<b>Inventories at the end of the year (31 march 2017)</b>		
Traded goods		
Stock-Mobiles	-	1,366,301
Stock-Mobiles Accessories	5,218,747	5,704,794
<b>Inventories at the beginning of the year ( 1st April 2016)</b>	<b>5,218,747</b>	<b>7,071,095</b>
Traded goods		
Stock-Mobiles	1,366,301	3,421,977
Stock-Mobile Accessories( Built in Charger)	5,704,794	1,063,650
	<b>7,071,095</b>	<b>4,485,627</b>
	<b>1,852,348</b>	<b>-2,585,468</b>





## MUNOTH COMMUNICATION LIMITED

<b>21 Employee benefit expense</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Salaries, wages and bonus	1,217,000	938,704
Contribution to provident and super annuation fund	54,266	43,797
Gratuity expense- Provision	-	70,000
Staff welfare expenses	58,062	44,770
Ex- Gratia	30,150	30,650
	<b>1,359,478</b>	<b>1,127,921</b>
<b>22 Other expenses</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Power and fuel	291,513	257,032
Packing Charges	109,973	-
Rates and taxes, excluding, taxes on income	416,477	347,153
Insurance	73,472	74,006
Repairs and maintenance		
Vehicles	342,610	371,883
Buiding Maintenance	49,596	357,846
Others	77,981	23,608
Advertising and sales promotion	244,362	1,065,161
Travelling and conveyance	511,624	870,837
Communication expense	88,379	91,431
Office Maintenance	34,300	19,024
Printing and stationery	726,199	337,075
Professional & Consultancy fees	172,585	183,580
Provisions:		
For Diminution in value of Investment	2,237,000	1,887,000
For Long term Advance	165,658	-
Audit Fees	149,500	100,000
Discount Allowed	184,313	-
Miscellaneous expenses	145,238	82,927
Carraige Inward		1,300
Share Transfer Expenses	54,730	66,329
General Expenses	75,574	147,481
Carriage outward	218,181	26,182
Penalty		49,083
	<b>6,369,265</b>	<b>6,358,938</b>
<b>Payment to auditor</b>		
Audit fee	60,000	60,000
Tax audit fee	49,500	-
Others	40,000	40,000
	<b>149,500</b>	<b>100,000</b>
<b>23 Depreciation and amortization expense</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Depreciation of tangible assets	1,773,242	1,661,159
Amortization of intangible assets	1,061,117	1,061,117
Less: Recoupment from Revaluation Reserve	993,232	-
	<b>1,841,127</b>	<b>2,722,276</b>



## MUNOTH COMMUNICATION LIMITED

24 Finance costs	31 March 2017 Rs.	31 March 2016 Rs.
Interest	1,710,137	1,187,130
Bank charges	55,892	46,429
	<b>1,766,029</b>	<b>1,233,559</b>

### 25 Earnings per share (EPS)

Particulars	31 March 2017 Rs.	31 March 2016 Rs.
<b>Loss for the year/ period - in Rs.</b>	-8,918,414	-10,668,980
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	9,649,400	9,649,400
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	9,649,400	9,649,400
<b>Face value per share - in Rs.</b>	<b>10.00</b>	<b>10.00</b>
Earnings per share (Basic) - in Rs.		
Basic - in Rs.	-0.92	-1.11
Diluted - in Rs.	-0.92	-1.11

### NOTES TO ACCOUNTS

#### Related Party

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

#### List of Related Parties with whom transaction have taken place :

Fellow subsidiaries	-NA-
Associates	C FORE TELECOM LIMITED
Key management personnel	Mr. Jaswant Munoth Mr.Srinivasan Ananthapadmanabhan Ms. Jinal Jain
Companies having common directors	1. M/s. South India Chemicals & Leasing Private Limited 2. M/s. Munoth Financial Services Ltd 3. M/s. Munoth Neg Windfarm Private Limited 4. M/s. Munoth Industries Limited

### 2 Related party transactions

2.1 The following table provides the total amount of transactions that have been entered into with related parties

2.1.1 for the relevant financial year:

a. Non Current Investments	31 March 2017 Rs.	31 March 2016 Rs.	31 March 2015 Rs.
Munoth Financial Services Ltd	10,323,292	15,592,466	15,727,292
Munoth Neg Wind Farm Ltd - unquoted	462,540	462,540	462,540
Munoth Industries Ltd-unquoted	3,125,000	3,125,000	3,125,000
Cfore Telecom Limited (formerly known as Munoth gfive telecom ltd) Including value of Goodwill (Rs 1081215) as on 31.3.2017	30,703	1,863,778	3,774,000
India Mobile Network Pvt Ltd	350,000	700,000	750,000

### 2.2 Investments

The Company holds certain Investments in Equity Shares the carrying Amounts of which have been



## MUNOTH COMMUNICATION LIMITED

written off in the Books as in the opinion of the Management, they were not realisable/ recoverable, the Details of such Investments are not included in the Investments Schedule and are furnished below.

<b>Names of the Body Corporate</b>	<b>Quantity</b>	<b>Cost (INR)</b>
Ambuja Foods limited	100.00	0.00
Amethi Textiles Ltd	100.00	0.00
Appollo Tubes Lts	70,000.00	0.00
Arihant Costlyn Ltd	100.00	0.00
Asian Tractors Ltd	100.00	0.00
Avon Industires Ltd	100.00	0.00
Bharat Textiles & Proofing India Ltd	6,200.00	0.00
Bhiwani Denim Ltd	100.00	0.00
Blue Blend Petro	250.00	0.00
BTW Industries Ltd	100.00	0.00
Cethar Industries Ltd	30,000.00	0.00
Computer Power Indian Limited	493,500.00	0.00
Coramandel Granited	29,200.00	0.00
Decan Granited Ltd	100.00	0.00
Delight Handicrafts palace Ltd	3,200.00	0.00
Deve Sugars Ltd	6,200.00	0.00
Flawless Diamonds Ltd	100.00	0.00
Gujarat Ambuja Cotspyn	100.00	0.00
Gujarat Ambuja Proteins	10.00	0.00
Gujarat Tele Cables	50.00	0.00
Hytai sun Magnetics Ltd	100.00	0.00
India Castor Ltd	3,300.00	0.00
Indo French Bio Ent Ltd	500.00	0.00
Indo Greman prod Ltd	17,600.00	0.00
Indo Maxwell Ltd	100.00	0.00
Jain Granites and Pro India Ltd	37,300.00	0.00
Jamshedpur Metal TR Ltd	-	0.00
Jaswal Granites Ltd	200.00	0.00
Kesharayia Granites Ltd	5,300.00	0.00
Kothari Securities Ltd	200,000.00	0.00
Leena Textiles Ltd	3,500.00	0.00
Mangul Knits Ltd	10,600.00	0.00
Neo Intex Mills Ltd	1,400.00	0.00
Mpec Textiles Ltd	700.00	0.00
Nutech Financial Services Ltd	90,000.00	0.00
Orient Organics Limited	1,700.00	0.00
Pentafour Products L	23,500.00	0.00
Prveen Propetied Limited(Partly Paid)	178,500.00	0.00
Prudential MouliSugars Ltd	200.00	0.00



## MUNOTH COMMUNICATION LIMITED

Ramkish Tyres Ltd	100.00	0.00
Rave Globals Ltd	495,000.00	0.00
Si Properties Ltd	1,500.00	0.00
Sri Vani Sugars & Chem Ltd	1,100.00	0.00
Stan Packs	5,000.00	0.00
Talawadi Rocks & Miner Pro Ltd	10,000.00	0.00
U B Petro Prod Ltd	100.00	0.00
Usha India Ltd(Usharectifier)	100.00	0.00
Vinsari Fruitech Ltd	48,800.00	0.00
White House Cotton Indl Ltd	4,000.00	0.00
Ceat Financial Services Ltd	11,050.00	0.00
Chandra Prabhu Housing Ltd	71,500.00	0.00
Excel Finance Ltd	13,500.00	0.00
Innovation Securities Ltd	5,500.00	0.00
Mercantile Credit Corpn Ltd	50.00	0.00
Olympia Capitals & Management Ltd	4,300.00	0.00
Sanmac Motor Finance	2,900.00	0.00
Shasun Finance Ltd	1,000.00	0.00
Total	<b>2,850,743.00</b>	-

However, the Company is in possession and record of such Share Certificates / Title of ownership and in the event of any possible realisation of any Gains on the disposal of such shares, the same will be recognised as Income in the respective Financial Years.

### 2.3 Retirement and Other Benifits to the Employees

The number of persons employed by the Company falls below the limits prescribed under the Payment of Gratuity Act, 1972 and hence not covered under the Payment of Gratuity Act. Hence the Company has not provided for Gratuity Liability based on actuarial Valuation. The Company made provision for Gratuity Liability on the basis of estimates made by the Company . However, in the opinion of the Management the impact of Non Provision of Gratuity Liability under Actuarial Valuation will not be material considering the minimal number of Employees employed by the Company.

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.

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

### 2.4 Trade receivables, Trade payables, Earnest money deposit, Security deposit and Loans & Advances are subject to confirmation and reconciliation.

In the opinion of the management and to the best of their knowledge, the current assets, loans and advances, shown in the balance sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated therein.

The company has certain advances which have been contested and a favourable decree has been obtained. In the opinion of the Management and as per legal opinion these advances are recoverable consequently no provision has been made in the books



## MUNOTH COMMUNICATION LIMITED

### 2.5 .Disclosure of specified Bank Notes

During the year, the Company has specified bank notes or other denomination note as defined in the MCA Notification G.S.R308(E) dated 31 March 2017. On the details of specified bank notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016., the denomination wise SBN and other notes as per the notification are given below :

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on 8 November 2016	-	6,290	6,290
Add: Permitted receipts	-	3,538	3,538
Less: Permitted Payments	-	-	-
Less: Amount Deposited in Banks	-	1,993	1,993
Closing Balance as on 30th December 2016	-	7,835	7,835

For the purpose of this clause, the term specified bank note shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance - Department of Economic Affairs No. S.O.3407 (E), dated 8 November 2016.

2.6 Previous year's figures have been regrouped and rearranged wherever necessary to confirm to current years classification/disclosures.

As per our report of even date

**For KUMBHAT & CO**

**Firm Registration Number : 001609S**  
Chartered Accountants

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

Ajit Kumbhat  
Partner  
Membership Number : 19582  
Place : Chennai  
Date : 23/05/2017

Lalchand Munoth  
[Chairman]  
S Anantha Padmanabhan  
CFO

Jaswant Munoth  
[Managing Director]

Bharat Munoth  
[Director]  
Jinal Jain  
Company Secretary



## MUNOTH COMMUNICATION LIMITED

### **SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2017:**

#### **1. SIGNIFICANT ACCOUNTING POLICIES:**

##### **1.1. BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS:**

These Consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified under Section 133 of the Act, read with Rule 7 of the Companies (accounts) Rules 2014 in terms of the provisions of the Companies Act, 2013. These accounts have been prepared on the assumption that the Company is a going concern and have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian GAAP.

##### **1.2 Principles of Consolidation:**

The consolidated financial statements relate to the Company and its Associate companies (collectively referred hereinunder as the "Group"). The consolidated financial statements have been prepared on the following basis:

Investment in Associate company has been accounted under the equity method as per Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements", whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the Associate companies.

##### **1.3 Use of estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements has been made relying on these estimates. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimated. Any revision to accounting estimates is recognised prospectively in the current and future periods.

##### **1.4 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.

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

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

##### **1.5 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.



**1.6. INTANGIBLE ASSETS:**

Intangible assets are stated at cost less accumulated amortization and it is amortized over a period of three years.

**1.7. DEPRECIATION:**

**1.7.1** Depreciation on owned assets is provided on Written down value method at the rates based on the useful life of the assets estimated by management which is in accordance with the useful lives prescribed under Schedule II of the Companies Act, 2013.

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

**1.8. IMPAIRMENT OF TANGIBLE AND INTANGIBLE FIXED ASSETS**

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flow are discounted to their present value using pre-tax discount rate that reflects current market assessments of time value of money and risks specific to the asset.

Impairment losses are recognized in the statement of profit and loss except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve upto the amount of any previous revaluation.

After impairment , depreciation is provided on the revised carrying amount of the assets over the remaining useful life.

A previously recognized impairment loss is increased or reversed depending on the changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**1.9. INVESTMENTS:**

Investment that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provisions for diminution in value is made to recognize a decline other than temporary in the value of the Investments

On disposal of an investment, the difference between its carrying and net disposal proceeds is charged or credited to statement of profit and loss.

**1.10. VALUATION OF INVENTORIES :**

Closing Stocks are valued at lower of cost or net realizable value. Cost are generally ascertained using weighted average method.

**1.11. RETIRMENT AND OTHER BENEFITS TO THE EMPLOYEES :**

**1.11.1. Gratuity:**

The number of persons employed by the Company falls below the limits prescribed under the



## MUNOTH COMMUNICATION LIMITED

Payment of Gratuity Act, 1972 and being hence not covered under the Payment of Gratuity Act, the Company does not provided for Gratuity Liability based on actuarial Valuation. under such circumstances the Company made provision for Gratuity Liability on the basis of estimates made by the Company .

### **1.12. Operating Leases :**

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the Leased assets are classified as operating leases. Operating Lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the period of lease.

Leases in which significant portion of risk and reward are retained by lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight line basis over the period of lease.

### **1.13. 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 not required to be provided as depreciation as per books is more than depreciation as per Income Tax Act 1961.

Deferred tax assets are not recognized unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

### **1.14. CASH FLOW STATEMENT:(AS-3)**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of 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.

### **1.15. Current and Non Current Assets and Liabilities**

Assets and liabilities are classified as current and non-current based on the operating cycle which has been estimated to be 12 months. All assets and liabilities which are expected to be realized and settled within a period of 12 months from the date of Balance sheet have been classified as current and other assets and liabilities are classified as non-current.





**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**

**33<sup>rd</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 Thirty Third Annual General Meeting of the Company held on Wednesday, 30th August, 2017, at 10.30 A.M. at Nahar Hall, (South India Hire Purchase Association), Desabandhu Plaza, 1st Floor, 47 Whites Road, Royapettah, Chennai - 600 014.

Members / Proxy's Name in Block Letters

Member's / Proxy Signature

**Form No. MGT-11**

**33<sup>rd</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

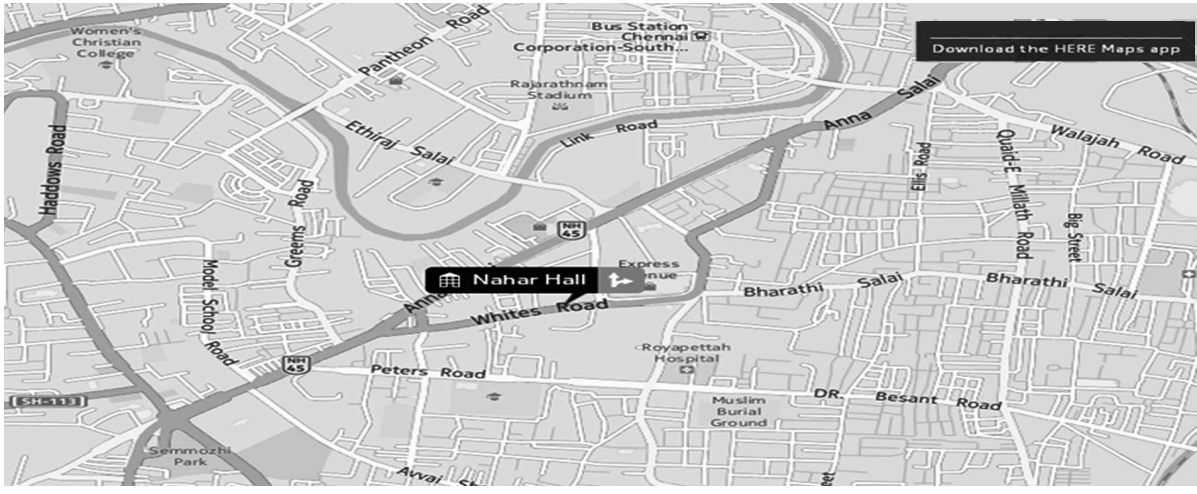
Registered office: Suite No. 48, Munoth Centre 3rd Floor, 343 Triplicane High Road, Chennai - 600 005

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 33rd Annual General Meeting of the company, to be held on Wednesday 30th August 2017, at 10.30 A.M. at Nahar Hall, South India Hire Purchase Association, Desabandhu, 1st Floor, 47, Whites Road, Royapettah, Chennai - 600 014. and at any adjournment thereof in respect of all the resolutions as are indicated follows:



SL. No.	RESOLUTIONS	Optional	
		For	Against
	<i>Ordinary Business</i>		
1	<i>Adopt the Audited Financial statements of the Company for the financial year ended March 31, 2017 including the audited Balance Sheet as on that date and the Statement of Profit and Loss for the year ended as on that date and the Reports of the Directors and Auditors thereon.</i>		
2	<i>Re-appointment of Mr. Vikas Munoth as Director who retires by rotation</i>		
3	<i>Re-appointment of Mr. Bharat Munoth as Director who retires by rotation</i>		
4	<i>Appointment of Auditors</i>		
	<i>Special Business</i>		
5	<i>Reappointment of Mr. Jaswant Munoth as Managing Director</i>		

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

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

Affix 1/-  
Revenue  
Stamp

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

**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to Attend and Vote instead of him/herself and the proxy need not be a member of the Company. The Proxy, in order to be effective, must be deposited at The Registered Office of the Company duly completed and signed not less than 48 hours 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.*