



MUNOTH FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

Lalchand Munoth, Chairman
Jaswant Munoth, Managing Director
Bharat Munoth, Managing Director
Vikas Munoth
Tansri Rajandram
Mah Sau Cheong
Ajit Kumbhat
M.Jayantilal Jain

DEPUTY COMPANY SECRETARY

L. Varalakshmi

AUDITORS

Mardia & Associates
Chartered Accountants
1-A, Valliammal Road,
Chennai - 600 007.

BANKERS

HDFC Bank
Union Bank of India
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 AGENTS

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

REGISTERED OFFICE

Munoth Centre, Suite No. 46 & 47
3rd Floor, 343, Triplicane High Road,
Chennai - 600 005.

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MUNOTH FINANCIAL SERVICES LIMITED

MUNOTH FINANCIAL SERVICES LIMITED

REGD. OFFICE: SUITE NO. 46 & 47, MUNOTH CENTRE
3RD FLOOR, 343 TRIPLICANE HIGH ROAD
CHENNAI - 600 005

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty First Annual General Meeting of the Company will be held on Friday, 31st August 2012 at 10:25 A.M at Nahar Hall (South India Hire Purchase Association), Desabandhu Plaza, 1st floor, 47, Whites Road, Royapettah, Chennai – 600 014 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2012 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr M Jayantilal Jain 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 Mah Sau Cheong who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration of Rs.75,000/- plus out of pocket expenses.

By order of the Board
for **MUNOTH FINANCIAL SERVICES LIMITED**

Chennai
26/05/2012

LALCHAND MUNOTH
CHAIRMAN

NOTES:

APPOINTMENT OF PROXY

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

CLOSURE OF REGISTER OF MEMBER:

The Register of Members and the Share Transfer Books of the Company will remain closed from August 30, 2012 to August 31, 2012 (Both days inclusive)

CHANGE OF ADDRESS:

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



ATTENDANCE SLIP:

For the convenience of the Shareholders Attendance slip is annexed to the proxy form. The Shareholders are requested to fill in and affix their signatures at the space provided therein and hand over the attendance slip at the entrance of the place of the meeting. Proxy/Representative of Shareholders should mark on the attendance slip as “Proxy” or “Representative” as the case may be. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.

CONSOLIDATION OF FOLIOS:

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

DEMATERIALISATION OF SHARES:

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

REQUEST TO MEMBERS:

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



MUNOTH FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting their Twenty First Annual Report together with the Audited Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS:

Particulars	2011-2012 Rs.in Lacs	2010-2011 Rs. in Lacs
Total Revenue	55.82	104.16
Total Expenses	115.71	136.10
Profit/(Loss)before Tax	(59.89)	(31.94)
Tax Expenses	0.64	0.47
Profit/(Loss) after Tax	(59.25)	(31.47)

OPERATIONAL REVIEW:

During the financial year 2011-12, the Company has done a total turnover of Rs. 435.63 crores in the capital market segment compared to Rs. 222.82 crores in the financial year 2010-2011 and Rs. 158.08 crores in the F & O Segment compared to Rs. 1184.78 crores in the financial year 2010-2011. The Company has got the permanent registration license from SEBI as a Category I Merchant Banker and portfolio management services. The Company is in the process of getting Permanent registration from SEBI for Share Transfer Agent and Depository Participant Services.

FUTURE PROSPECTS:

The Company will endeavor to increase income from operations by focusing on HNI's and Institutional Clients in broking division, on NRI's in Portfolio Management service division. The company will try to work along with Merchant Bankers based out of Mumbai to reactivate its Merchant Banking division.

DIVIDEND:

The Board of Directors has decided not to recommend any dividend with a view to conserve resources.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm and state that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That 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 end of the financial year (March 31, 2012) and of the profit and loss of the company for that period;
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors had prepared the annual accounts on a going concern basis.

STOCK EXCHANGES

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



MUNOTH FINANCIAL SERVICES LIMITED

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

The Company has no activities relating to conservation of energy, technology absorption, foreign exchange earning and outgo.

FIXED DEPOSITS

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

PARTICULARS OF EMPLOYEES

There are no persons employed in the Company during the year or for part of the year who were in receipt of remuneration exceeding the sums prescribed under the provisions of Section 217(2A) of the Companies Act, 1956.

DIRECTORS:

In terms of the provisions of the Articles of Association, Mr. M Jayantilal Jain and Mah Sau Cheong retire by rotation at the forthcoming Annual General Meeting and they being eligible offers themselves for re-appointment.

CORPORATE GOVERNANCE:

The Securities and Exchange Board of India (SEBI) has introduced a code of Corporate Governance for implementation by Companies listed on the Stock Exchange. A report of Corporate Governance along with the Management Discussion and analysis report pursuant to Clause 49 of the Listing Agreement are annexed hereto.

AUDIT COMMITTEE:

The Audit Committee that was constituted pursuant to Section 292A of the Companies Act, 1956 has Mr.Ajit Kumbhat (Chairman), Mr.M Jayantilal Jain and Mr.Mah Sau Cheong as its Members.

REMUNERATION COMMITTEE:

The Remuneration Committee, which was constituted pursuant to the amendment, made to the Schedule XIII of the Companies Act, 1956 has Mr. M Jayantilal Jain (Chairman), Mr.Ajit Kumbhat and Tansri Rajandram as its Members.

AUDITORS, AUDITORS' REPORT & CERTIFICATE

M/s.Mardia Associates, Chartered Accountants, the Auditors of the Company, retire at the close of the ensuing Annual General Meeting and are eligible for re-appointment.

The Auditor's have certified the Company's Compliance of the requirements of Corporate Governance in terms of the Listing Agreement and the same is enclosed as an annexure to the Corporate Governance Report.

The comments made by the Auditors in their report vide (f) have been duly explained in the attached Notes on Accounts. (Note No. 2 (6))

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.

For and on behalf of the Board of Directors

Chennai
May 26, 2012

LALCHAND MUNOTH
CHAIRMAN



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-2012

(as required under Clause 49 of the Listing Agreement entered into with stock exchanges)

A MANDATORY REQUIREMENTS:

1. Company's Philosophy on code of corporate Governance

Munoth Financial Services Limited (MFSL)'s philosophy in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to laws, regulations and guidelines and to promote ethical conduct throughout the Company with an emphasis on accountability beyond the stipulations required for fulfillment of the requirements of the Listing Agreement with Stock Exchanges. MFSL remains focused on pursuing a business that optimized long term stakeholder value.

2. Board of Directors

2.1 Composition of Board

The Board consists of four Executive Directors and four Non Executive Directors and all the four non executive directors are independent.

2.2 Non Executive Director's Disclosure and Pecuniary relationship

The Company does not have any pecuniary relationship or transaction other than sitting fees paid to the non- executive directors during the Financial year

Mr. M Jayantilal Jain, the non executive director holds 1000 shares of the Company.

2.3 Board Procedures

During the year 2011-12, the board of directors met five times on the following dates April 18, 2011, May 14, 2011, July 19, 2011, October 29, 2011 and January 31, 2012 and the dates of the meetings were decided well in advance.

2.4 Information Supplied to the Board

The board is presented with all the relevant information well in advance before each meeting on various matters affecting the working of the company and the Directors have separate and independent access to senior management at all times. In addition to items which are required to be placed before the board for its noting and/or approval under the statutes or regulations, information is also provided for the periodic review/information on various items, such as:

- Financial performance and operations
- Quarterly Financial results
- Minutes of meetings of audit committee and other committees of the Board
- Staff matters, including senior appointments and extensions
- Legal proceedings by or against the company
- Legal compliance reports
- Share transfer and demat compliance
- Donations and other significant matters
- Significant Labour matters and human resource issues



MUNOTH FINANCIAL SERVICES LIMITED

2.5 Outside directorships and committee positions:

Table showing the number of outside directorships and committee positions held by the directors are given below with the details of attendance of each director at the board meetings and the last AGM.

Name of Director	Attendance		Directorships (Private Cos excluded)		Chairman / Member of Committees of Listed Companies
	Board Meeting	AGM	Listed Cos	Unlisted Public Companies	
Mr. Lalchand Munoth (Chairman)	5	yes	1	2	1
Mr. Jaswant Munoth (Managing Director)	5	yes	1	2	1
Mr. Bharat Munoth (Managing Director)	5	yes	1	3	-
Mr. Vikas Munoth	5	yes	-	2	-
Mr. Mah Sau Cheong	-	No	-	-	-
Tansri Rajandram	-	No	-	-	-
Mr. M Jayantilal Jain	5	yes	1		2
Mr. Ajit Kumbhat	5	yes	1	1	2

Notes:

Only audit committee and shareholders' grievance committee are considered for the purpose of committee positions as per listing agreement. None of the directors was a member in more than ten committees, nor a chairman in more than five committees across all companies in which he was a director.

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

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

Mr. Mah Sau Chong is retiring by rotation at this Annual General Meeting and being eligible offers himself for reappointment. Mr. Mah Sau Cheong is the owner of the South Malaysian Industries Group with interest in Real Estate, Entertainment, Stock Broking and Insurance.

2.7 Code of Conduct

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



2.8 Legal Compliance Reporting

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

3. Audit committee

3.1 Brief Description of terms of reference

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

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

3.2 Composition, Meetings and Details of attendance

The company has been reviewing and making appropriate changes in the composition and working of the committee from time to time to bring about greater effectiveness and to comply with various requirements under the Companies Act, 1956 as well as Clause 49 of the listing agreement.

Four Audit Committee meetings were held on the following dates: May 14, 2011, July 19, 2011, October 29, 2011 and January 31, 2012. Details of Members and their attendance is given below

Name of the Director	Status	No. of Meetings attended
Mr. Ajit Kumbhat	Chairman	4
Mr. M Jayantilal Jain	Member	4
Mr. Mah Sau Cheong	Member	Nil

All members of the audit committee are independent, non-executive directors. Mr. Ajit Kumbhat, the Chairman of the Audit Committee attended the last Annual General Meeting of the Company. The committee also continued to advise the management on areas where greater internal audit focus was needed, and on new areas to be taken up for audit purposes.

4. Remuneration Committee

The Remuneration Committee comprises of three independent, non-executive Directors viz. Mr. M Jayantilal Jain (Chairman), Mr. Ajit Kumbhat and Tansri Rajandram to review or recommend the remuneration paid to Executive Directors. The committee is vested with all necessary powers and authority to determine and recommend the remuneration payable to Executive Directors. There was no meeting held during the financial year.



4.1 Remuneration Policy

Non-Executive Independent Directors:

Other than sitting fees, no other remuneration is being paid to the non executive directors

Executive Directors

The remuneration paid to Managing Director for the year ended 31.03.2012 is as follows:

	Rs.
Salary and Perquisites	11,45,000
Total	<u>11,45,000</u>

5. Shareholders' and investors' grievance committee

The 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 oversees the share transfers and transmission.

5.1 Composition and the process of share transfer

The Committee comprises of Mr. M Jayantilal Jain (Chairman), Mr. Jaswant Munoth (Managing Director), Mr. Ajit Kumbhat and Tansri Rajandram. The Company Secretary of the Company has been designated as the Compliance Officer.

The process of share transfers is assigned to Cameo Corporate Services Limited, the Registrars & Share Transfer Agent, for the Company, who take care of the share transfer formalities on an ongoing basis.

The total number of shareholder complaints received during the financial year was nil and there are no share transfer pending as on March 31, 2012.

5.2 Meetings, attendance and topics discussed

The committee met 4 times on the following dates: July 19, 2011, October 29, 2011, January 31, 2012 and March 31, 2012. to review the status of investors' services rendered.

Name of the Director	Status	No of Meetings attended
Mr. M Jayantilal Jain	Chairman	4
Mr. Ajit Kumbhat	Member	4
Mr. Jaswant Munoth	Member	4
Tansri Rajandram	Member	Nil

The company secretary (who is the compliance officer for looking into shareholders' grievances on a day-to-day basis), was also present. The committee focused its attention on various topics, such as

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



6. General Body Meetings:

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

Year	Location	Date	Time
2008-2009	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	31 st August 2009	10.15 A M
2009-2010	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	12 th August 2010	10.45 A M
2010-2011	Nahar Hall Desabandhu Plaza, I Floor 47, Whites Road, Royapettah, Chennai - 600 014.	23 rd August 2011	10.30 A M

In terms of Section 192A of the Companies Act, 1956 read with Companies (Passing of the resolution by postal ballot) Rules, 2011, the Company, vide a Board Resolution passed dated 31st day of January, 2012, had appointed Mr. V Chandramowli as the Scrutinizer for conducting the postal ballot voting process for passing of the resolution of “**Alteration of the Objects Clause of the Memorandum of Association**” as **Special Resolution**.

Voting Pattern and Procedure for Postal Ballot:

1. The dispatch of the Postal Ballot Forms to the members of the Company whose name(s) appeared on the Register of Members / List of Beneficial Owners as on February 6th, 2012.
2. All the Postal Ballot Forms received up to the close of working hours, i.e. 5.30 P.M. on Thursday, 22nd March, 2012, the last day and time fixed by the Company for the receipt of the ballot forms, were scrutinized with respect to their validity and had been recorded.
3. No incomplete, unsigned or incorrect Postal Ballot Form had been received.
4. The summary of the votes cast and Ballot Forms received is as given below:

Item No .1	
Alteration of Object Clause in MOA	
Special Resolution	
Category	Postal Vote Details
Total Postal votes received	3748792
Less: Invalid Postal votes	0
Total Valid Postal votes	3748792
Postal Ballot votes giving Assent	3748792
Postal Ballot votes giving Dissent	0



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5. **The resolution has been passed** since all have casted in favour of the resolution.
6. The results of the Postal Ballot were announced on 29th March 2012 at the Registered Office of the Company.

7. Disclosures:

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

NIL

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

NIL

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

8. Means of Communication:

- *Quarterly Results : Quarterly results are published with in the time stipulated in the listing agreement. MFSL does not send half yearly report to each household of the shareholders.
- * Newspapers wherein results normally : The Trinity Mirror published Makkal Kural (Tamil Daily)
- *website of the Company : www.munothfinancial.com
- *Whether it also displays, official news releases and Presentations made to institutional Investors/ Analysis : Yes
- *Whether Management Discussion & Analysis (MD & A) report is a part of Annual Report : Yes
- * Whether shareholder information Section forms part of the Annual Report : Yes

9. General Shareholder information:

1	Annual General Meeting	Friday , August 31, 2012 at 10.25 AM at Nahar Hall Desabandhu Plaza, I Floor, 47, Whites Road,Royapettah, Chennai - 600 014
b)	Financial Calendar:	First Quarter Results: July Second Quarter Results: October Third Quarter Results: January Last Quarter Results and Annual Results within 60 days of the end of financial year
c)	Dates of Book Closure	August 30, 2012 to August 31, 2012 (Both days inclusive)



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d) Dividend Payment Date	Not applicable									
e) Listing on Stock Exchanges and Stock Code	<table border="0"> <tr> <td>Name</td> <td>Address</td> <td>code</td> </tr> <tr> <td>The Stock Exchange, Mumbai</td> <td>Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 023</td> <td>511401</td> </tr> <tr> <td>Madras Stock Exchange Limited</td> <td>Exchange Building PO Box No. 183 11, Second Line Beach Chennai – 600 001</td> <td>MNFS</td> </tr> </table> <p>Listing fees to all the stock exchanges for the financial year 2012-2013 has been paid.</p>	Name	Address	code	The Stock Exchange, Mumbai	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 023	511401	Madras Stock Exchange Limited	Exchange Building PO Box No. 183 11, Second Line Beach Chennai – 600 001	MNFS
Name	Address	code								
The Stock Exchange, Mumbai	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 023	511401								
Madras Stock Exchange Limited	Exchange Building PO Box No. 183 11, Second Line Beach Chennai – 600 001	MNFS								
f) International Securities Identification Number (ISIN)	INE348D01019 (CDSL & NSDL)									

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

Month	High	Low Price
11-May	6.85	6.53
11-Jun	6.51	5.89
11-Jul	5.71	5.71
11-Aug	5.5	5.23
11-Oct	5	5
11-Dec	4.76	4.54
12-Jan	4.37	4.36
12-Feb	4.57	4.16
12-Mar	4.56	3.76

- h) Registrar and Share Transfer Agents** Cameo Corporate Services Limited
"Subramanian Building"1, Club House Road,
Chennai – 600 002.
- i) Share Transfer System:** Trading in equity shares of the Company is permitted only in dematerialized form Share Transfers in physical form are registered and returned in 15 days from the date of receipt, if documents are in order in all respects by the Share Transfer Agents of the Company and the power to approve the transfer and transmission has been delegated by the board to the Share Transfer/ Investor Grievance Committee.
- j) Dematerialisation of shares:** As on 31st March 2012, 77.67 % of the total shares of the Company have been dematerialised
- k) Outstanding GDR/Warrants and Convertible bonds, conversion date and likely impact on the equity.** There are no outstanding/warrants and convertible bonds as on March 31, 2012 and therefore there will be no consequential impact on equity
- l) Plant Locations:** As this a service industry, no need for any plant set up.



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- m) **Address for Correspondence:** The Company Secretary,
Munoth Financial Services Limited,
Suite No. 46& 47, Munoth Centre,
343, Triplicane High Road, Chennai – 600 005.
- n) **Details of use of public funds obtained in the last three years:** No funds have been raised from the public in the last three years
- o) **Distribution of Shareholding as on March 31, 2012**

Shareholding of nominal value of	Shareholders		Shareholding		
	Rs. [1]	Number [2]	% to Total Nos. [3]	In Rs. [4]	% to Total Amount [5]
10-5000		2456	96.8454	8736500	17.0126
5001-10000		36	1.4195	302530	0.5891
10001-20000		17	0.6703	255860	0.4982
20001-30000		1	0.0394	22000	0.0428
30001-40000		7	0.2760	241110	0.4695
40001-50000		3	0.1182	135000	0.2628
50001-100000		3	0.1182	235000	0.4576
100000 AND ABOVE		13	0.5126	41425000	80.6671
TOTAL		2536	100.000	51353000	100.00

i) **Categories of shareholders as on March 31, 2011**

	CATEGORY	No. of shares held	Percentage of shareholding
A.	Promoter's holding		
1.	Promoters*		
	*Indian Promoters	28,63,800	55.77
	Foreign Promoters	NIL	NIL
2.	Persons acting in concert #	NIL	NIL
	Sub- Total	28,63,800	55.77
B.	Non-Promoters Holding		
3.	Institutional Investors		
a.	Mutual Funds and UTI	NIL	NIL
b.	Banks, Financial Institutions, Insurance Companies [central/State Govt. Institutions/Non-Government Institutions]	NIL	NIL
c.	FII's	2,25,000	4.38
	Sub- Total	2,25,000	4.38
4.	Others		
a.	Private Corporate Bodies	10,76,852	20.97
b.	Indian Public	9,69,648	18.90
	NRIs/OCBs	NIL	NIL
	Sub- Total	20,46,500	39.85
	Grand Total	51,35,300	100.00



B. NON MANDATORY REQUIREMENTS:

1. Chairman of the Board:

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

2. Remuneration Committee:

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

3. Shareholders Rights:

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

4. Postal Ballot:

The provisions related to Postal Ballot is complied with wherever necessary . Please refer to point no. 6 under Mandatory requirements.

5. Whistel Blower Policy:

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

On behalf of the Board of Directors
For MUNOTH FINANCIAL SERVICES LIMITED

May 26, 2012
Chennai

Lalchand Munoth
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS (MD &A)

Environment:

Subdued FII inflows into the country led to a decline in Indian markets and contributed to the sharp depreciation of the rupee in the forex market, though much of the depreciation was due to 'flight to safety' by foreign investors, given the troubled European and inflation-hit emerging market economies. Moderation in the growth rate of the economy has also affected market sentiments. This moderation in growth is on account of several factors, including the uncertainty in the global environment and lag effect of monetary policy tightening. Monetary tightening in India has led to some correction in stock markets, just as it happened in other emerging market economies as their central banks tightened their grips.

Globally, the deepening European debt crisis and a historic downgrade of the US by S&P triggered fears of another recession. The euro zone imbroglio kept the global markets fluctuating throughout the year. Unless the crisis in Europe is settled, volatility in global markets including India will tend to persist. However, the Indian economy has been less affected as compared to other major indices in the world. Further, the resilience of Indian markets is evident from the ratings given by some of the investment banks and financial firms.

The performance of the Company under the review has to be viewed against the background of the performance of the economy



Segment- wise product performance

The Company's main business is broking and the Company is the Member of National Stock Exchange (NSE), Madras Stock Exchange (MSE) and OTCEI and hence can be called as a single segment Company.

Opportunities & Threats

QFIs were allowed to directly invest in the Indian equity market in January 2012. This was done to widen the class of investors, attract more foreign funds, reduce market volatility, and deepen the Indian capital market. The QFIs shall include individuals, groups, or associations, resident in a foreign country that is compliant with the Financial Action Task Force (FATF) and that is a signatory to International Organisation of Securities Commissions (IOSCO's) multilateral memorandum of understanding (MoU). QFIs do not include FII's/ sub-accounts. Earlier, only FII's/sub-accounts and non-resident Indians (NRIs) were allowed to directly invest in the Indian equity market. Under this arrangement, a large number of QFIs, in particular a large set of diversified individual foreign nationals who were desirous of investing in the Indian equity market, did not have direct access to it. The RBI and SEBI have issued the relevant circulars on 13 January 2012 to operationalize this scheme.

Risks and Concerns

The ongoing crisis in the Financial services sector and stagnation in the capital market might have adverse effect on the financial performance of the company. However, good customer base and prudential business strategies would enable the company to tide over the recent turmoil in the financial market.

Outlook:

Against the backdrop of expected expansion of activity in the Indian capital market, the importance of ensuring healthy and orderly conditions in the market becomes more urgent.

Adequacy of Internal Controls:

The Company follows an extensive internal control system to ensure that prudential business policies are followed regularly in managing existing clientele and developing new business contacts. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The Audit Committee reviews the adequacy of internal control system on regular basis.

Financial Review:

During the year, the Company has recorded total revenue of Rs. 55.82 Lacs compared to Rs. 104.16 Lacs in the previous year.

Human Resource Development:

The Company has a team of able and experienced professionals and the Company considers that the main strength is its human resources, who create a climate to suit its growth and excellence.

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 might differ from those either expressed or implied.

Chennai
26/05/2012

By order of the Board

Mr. Lalchand Munoth
Chairman



MUNOTH FINANCIAL SERVICES LIMITED

Annexure - 1

Auditor's Certificate on Corporate Governance

To the Members of
Munoth Financial Services Limited, Chennai.

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

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

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

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

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

For Mardia and Associates

Chartered Accountants

Firm Reg No: 007888S

Place : Chennai
Date : 26/05/2012

(MANISH MARDIA)

PROPRIETOR

M.No 205307

Annexure – 2

Declaration by Chief Executive Officer (CEO)

I, Jaswant Munoth, Managing Director of Munoth Financial Services Limited hereby declare that all the board members and senior managerial personnel have affirmed for the year ended March 31, 2012 compliance with the code of conduct of the Company laid down for them.

Date : 26/05/2012
Place : Chennai

Jaswant Munoth
Managing Director.



MUNOTH FINANCIAL SERVICES LIMITED

Annexure – 3

Certificate by Chief Executive Officer (CEO)

I, Jaswant Munoth, Managing Director of Munoth Financial Services Limited hereby certify

1. That I have reviewed the financial statements and the cash flow statements for the year ended March 31, 2012 and that to the best of my knowledge and belief,
These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That, there are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. That I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which I was aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
4. That I have informed the auditors and the audit committee of:
 - Significant changes in internal control during the year
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
 - Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Date : 26/05/2012
Place : Chennai

Jaswant Munoth
Managing Director



MUNOTH FINANCIAL SERVICES LIMITED

AUDITORS REPORT TO THE MEMBERS OF M/S MUNOTH FINANCIAL SERVICES LIMITED, CHENNAI

We have audited the attached Balance sheet of M/s. Munoth Financial Services Limited as at March 31, 2012 and the Profit and Loss account, cash flow for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclosed in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in the Annexure referred to in paragraph 1 above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance sheet, Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance sheet, Profit and Loss Account, Cash Flow Statement, dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
- e) On the basis of the written representation received from the directors as on 31st March 2012 and taken on record by Board of Directors, we report that none of the directors are disqualified as on 31st March 2012 from being appointed as the directors under clause (g) of subsection (1) of the Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts,, **subject to point no 6 of Note 2 regarding non-provision of Rs. 2,19,76,897/- being diminution in the market value of quoted investments and its effect on the profit and other notes thereon**, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance sheet, of the state of affairs of the company as at 31st March 2012
 - (ii) In the case of the Profit and Loss Account, of the LOSS of the Company for the year ended 31st March 2012.
 - (iii) In the case of the cash Flow statement of the cash flows for the year ended 31st March 2012

FOR MARDIA & ASSOCIATES
Chartered Accountants
Firm Reg No: 007888S

Place : CHENNAI
Date : 26/05/2012

MANISH MARDIA
(Proprietor)
M.No:205307



MUNOTH FINANCIAL SERVICES LIMITED

ANNEXURE TO THE AUDITORS REPORT

REF: M/S MUNOTH FINANCIAL SERVICES LIMITED

(Referred to in paragraph (1) of our report of even date)

1. (a) The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
(c) There is no substantial disposal of fixed assets during the year.
2. The Company is not holding any inventory therefore the provisions of clause 4(ii) of the Companies (Auditors Report) order 2003 are not applicable to the Company.
3. According to the information and explanation given to us the company has not granted/ taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the act, 1956 and as such, clauses 4 (iii) (a) to 4(iii) (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
4. According to information and explanation given to us and in our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
5. (a) To the best of our knowledge and belief and according to the information and explanations, given to us, transactions that are need to be entered in the register in pursuance of Section 301 have been so entered.
(b) Each of these transactions has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public attracting the provisions of section 58A of the Companies Act 1956 and the rules framed thereunder.
7. In our opinion and according to explanations and information given to us, the Company has an internal audit system commensurate with its size and nature of its business.
8. In our opinion, the Company is not required to maintain the cost accounts and records prescribed by the Central Government under Clause (d) of Sub-Section (1) of section 209 of the Companies Act, 1956.
9. (a) The Company is regular in depositing undisputed statutory dues including provident Fund, Investor Education and Protection Fund, Employees state Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities.
(b) Details of dues in tax in respect of income tax, excise duty, custom duty, wealth tax, sales tax, service tax and cess which have not been deposited as on 31st March 2012 on account of disputes are given below

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relate	Amount Involved (Rs)
Income Tax Act, 1961	Income Tax	ITAT, Chennai	2007-2008	96948.00



MUNOTH FINANCIAL SERVICES LIMITED

10. The company does not have any accumulated loss at the end of the financial year. The Company has incurred cash losses of Rs. 51.58 Lakhs in the current financial year and cash losses of Rs. 23.37 Lakhs in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of any special statute applicable to chit fund, mutual fund, society are not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts and has timely entries in respect of its dealing of trading in shares, securities, debentures register showing proper particulars of transactions. The investments are in the name of the Company other than those specified in Note 11 on Non Current investments forming part of Balance sheet amounting to Rs. 1,75,56,107/-
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions
16. In our opinion and according to the information and explanation given to us the Company has not taken any term loan hence clause (XVI) of the order is not applicable
17. According to the balance sheet and other records examined by us and information and explanations given to us, on an overall basis, funds raised on short term basis have prima facie not been used during the year for long term investment
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year
20. The Company has not received any money by public issues during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

FOR MARDIA & ASSOCIATES
Chartered Accountants
Firm Reg No: 007888S

Place : CHENNAI
Date : 26/05/2012

MANISH MARDIA
(Proprietor)
M.No:205307

**MUNOTH FINANCIAL SERVICES LIMITED****Balance Sheet as at 31 March, 2012****(In Rs)**

Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	51,612,500	51,612,500
(b) Reserves and surplus	4	26,338,223	32,264,054
		<u>77,950,723</u>	<u>83,876,554</u>
2 Non-current liabilities			
(a) Deferred tax liability	5	112,312	176,229
(b) Long-term provisions	6	561,083	513,051
		<u>673,395</u>	<u>689,280</u>
3 Current liabilities			
(a) Trade payables	7	386,260	894,714
(b) Other current liabilities	8	18,190,997	15,674,088
(c) Short-term provisions	9	364,487	370,766
		<u>18,941,745</u>	<u>16,939,568</u>
TOTAL		<u>97,565,863</u>	<u>101,505,402</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	6,563,500	7,126,126
(ii) Intangible assets	10	2,161,356	2,268,927
		<u>8,724,856</u>	<u>9,395,053</u>
(b) Non-current investments	11	62,155,635	62,089,646
(c) Long-term loans and advances	12	9,082,355	8,562,746
		<u>71,237,989</u>	<u>70,652,393</u>
2 Current assets			
(a) Trade receivables	13	5,267,164	2,114,627
(b) Cash and cash equivalents	14	8,686,234	15,230,829
(c) Short-term loans and advances	15	930,066	666,440
(d) Other current assets	16	2,719,553	3,446,061
		<u>17,603,017</u>	<u>21,457,957</u>
TOTAL		<u>97,565,863</u>	<u>101,505,402</u>
Summary of Significant accounting policies	2	-	-

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For MARDIA & ASSOCIATESChartered Accountants
Firm Reg No: 007888S**(MANISH MARDIA)**Proprietor
M. No 205307PLACE : CHENNAI
DATE : 26/05/2012**For and on behalf of the Board of Directors****LALCHAND MUNOTH**
Chairman**JASWANT MUNOTH**
Managing Director**BHARAT MUNOTH**
Managing Director



MUNOTH FINANCIAL SERVICES LIMITED

Statement of Profit and Loss for the year ended 31 March, 2012 (In Rs)

Particulars	Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
I Revenue from operations	17	4,794,303	8,747,042
II Other income	18	787,718	1,668,976
III Total revenue (I + II)		<u>5,582,021</u>	<u>10,416,018</u>
IV Expenses			
(a) Employee benefits expense	19	3,861,095	4,388,935
(b) Finance cost	20	2,274,226	2,065,546
(c) Depreciation and amortisation expense	10	831,337	857,358
(d) Other expenses	21	4,605,111	6,298,757
V Total expenses		<u>11,571,769</u>	<u>13,610,595</u>
VI Profit / (Loss) before tax		(5,989,748)	(3,194,578)
VII Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		63,917	47,185
VIII Profit / (Loss) for the year		<u>(5,925,831)</u>	<u>(3,147,393)</u>
IX Earnings per share (Basic and Diluted)	22	(1.15)	(0.61)

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For MARDIA & ASSOCIATES

Chartered Accountants
Firm Reg No: 007888S

(MANISH MARDIA)

Proprietor
M. No 205307

PLACE : CHENNAI
DATE : 26/05/2012

For and on behalf of the Board of Directors

LALCHAND MUNOTH
Chairman

JASWANT MUNOTH
Managing Director

BHARAT MUNOTH
Managing Director



Notes to financial statement for the year ended 31 March 2012

Note 1 Corporate Information

Munoth Financial Services Limited is a public limited company domiciled in India and incorporated during the year 1990, under the provisions of the Companies Act, 1956. Its shares are listed on Bombay and Madras Stock Exchanges. The Company belongs to the reputed Munoth Group, Chennai. The company primarily focuses on Stock Broking, DP Operations, Portfolio Management Services and other Advisory Services.

Note 2 Significant Accounting Policies

1. Accounting Policies

a) Accounting Convention

The accompanying financial statements are consistently prepared under the historical cost convention, on the accrual basis of accounting and comply with the accounting standards issued by the Institute of Chartered Accountants of India (to the extent applicable) and in accordance with the generally accepted accounting principles, the provisions of the Companies Act, 1956.

b) Fixed Assets and Depreciation :

i) Tangible Assets are stated at cost less accumulated depreciation thereon. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The Company provides pro-rata depreciation from the date on which asset is acquired / put to use. In respect of assets sold, pro-rata depreciation is provided upto the date on which the asset is sold. On all assets, depreciation has been provided using the Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.

ii) Intangible Assets are stated at cost less Depreciation thereon. No depreciation has been provided on MSE Membership card.

c) Investments :

Investments are long-term in nature and stated at cost. Provision for diminution in value of long-term investments is made only, if such a decline is other than temporary in the opinion of the management. Bonus entitlements are recognised as ex-bonus dates and no cost is attributed to bonus shares.

d) Taxation :

Income tax expenses comprises current tax and deferred tax charge or credit. The deferred tax charge or credit is recognized using current tax rates. Where there is unabsorbed depreciation and/or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets.

e) Retirement Benefits

i) Company's contribution under Provident Fund Act are charged to profit and loss account on accrual basis.

ii) The Company has provided for gratuity being the estimated liability in terms of payment of Gratuity Act, 1972. The liability has not been ascertained on actuarial basis.



MUNOTH FINANCIAL SERVICES LIMITED

2. The company's business activity falls within a single primary business segment i.e. stock broking & Capital Market. As such there is no separate reportable segment as per Accounting Standard 17.
3. We have been informed that Current Assets Loans and Advances other than doubtful have the value at which they are stated in the Balance sheet, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
4. Balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation.
5. Contingent Liability
Contingent liabilities comprise Bank Gurantees amounting to Rs. 138.50 Lacs provided to Stock Exchanges. (Previous year - Rs. 150.00 Lacs).
6. The company has not made provision for a sum of **Rs 2,19,76,897/-** (Prev yr Rs. 2,21,18,170) being fall in the market value of quoted investments. Such provision has not been made as the management perceives that the investments are of long term in nature and such diminution in value is temporary. The Current value of unquoted investments cannot be ascertained in the absence of availability of latest financial results.
7. The company has received a letter from RBI exempting it from Registration as a Non Banking Financial Company as it is already registered as stock broker with SEBI.
8. Bangalore branch transactions are consolidated in respective heads in Head office account
9. Foreign Currency Transaction :

Earnings (yet to be realized)	NIL	NIL
Expenditure (towards Foreign Travel)	NIL	NIL
10. Previous year figures have been regrouped and rearranged wherever necessary to conform to this year classification.



MUNOTH FINANCIAL SERVICES LIMITED

Note 3 Share capital (In Rs)

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Shares				
Equity shares of Rs.10 each with voting rights	10,000,000	100,000,000	10,000,000	100,000,000
(b) Issued, Subscribed and Fully Paid up Shares				
Equity shares of Rs.10 each with voting rights	5,135,300	51,353,000	5,135,300	51,353,000
(c) Forfeited shares	-	259,500	-	259,500
Total	<u>5,135,300</u>	<u>51,612,500</u>	<u>5,135,300</u>	<u>51,612,500</u>

A. Of the above 5,226,000 Equity Shares, 1,11,200 were allotted as fully paid up pursuant to a Contract for consideration other than Cash.

B. Details of Shareholders holding more than 5% shares in the Company

Name of the shareholder	No of Shares	% of Shares
1.Lalchand Munoth	502,100	9.78
2 Jaswant munoth	620,200	12.08
3 Bharat Munoth	572,900	11.16
4 Vikas Munoth	905,300	17.63

Note 4 Reserves and surplus (In Rs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Securities premium account	20,250,000	20,250,000
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	12,014,054	15,161,447
Add: Profit / (Loss) for the year	(5,925,831)	(3,147,393)
Closing balance	<u>6,088,223</u>	<u>12,014,054</u>
Total	26,338,223	32,264,054

Note 5 Deferred tax liability (In Rs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Deferred tax (liability) / asset		
As per last year's Balance Sheet	176,229	223,414
On Timing Difference : Depreciation	63,917	47,185
Net deferred tax (liability) / asset	<u>112,312</u>	<u>176,229</u>



MUNOTH FINANCIAL SERVICES LIMITED

Note 6 Long-term provisions		(In Rs)	
Particulars	As at 31 March, 2012	As at 31 March, 2011	
(a) Provision for employee benefits:			
(i) Provision for gratuity (net)	561,083	513,051	
Total	<u>561,083</u>	<u>513,051</u>	

Note 7 Trade payables		(In Rs)	
Particulars	As at 31 March, 2012	As at 31 March, 2011	
Trade payables:			
Acceptances	386,260	894,714	
Total	<u>386,260</u>	<u>894,714</u>	

* The company does not have any dues towards Micro, Small and Medium Enterprises

Note 8 Other current liabilities		(In Rs)	
Particulars	As at 31 March, 2012	As at 31 March, 2011	
(A) Other payables			
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	36,153	44,542	
(ii) Advances from customers (Margin money received from Clients)	2,780,458	2,218,698	
(B) loans			
From banks			
Secured - Federal Bank Car Loan*	141,901	222,740	
(C) Other loans and advances			
Secured - Bank Overdraft**	15,232,485	13,188,108	
Total	<u>18,190,997</u>	<u>15,674,088</u>	

* Federal Bank car loan is secured against Hypotjication of Car

** Bank Overdraft is secured against Property with Federal Bank Ltd



(Rs.)

NOTES - 10 FIXED ASSETS

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2011	Addition during the year	Ded/Adj during the year	As at March 31, 2011	Upto March 31, 2011	For the year	Ded/Adj during the year	Upto March 31, 2012	As at March 31, 2011	As at March 31, 2012
Tangible Assets										
Freehold Land	2,479,430	-	-	2,479,430	-	-	-	-	2,479,430	2,479,430
Buildings	3,342,043	-	-	3,342,043	1,724,743	80,865	-	1,805,608	1,617,300	1,536,435
Furnitures & Fixtures	4,320,821	-	-	4,320,821	3,302,460	184,323	-	3,486,783	1,018,361	834,038
Vehicles	1,183,656	-	-	1,183,656	481,803	181,710	-	663,513	701,853	520,143
Office Equipment	2,324,833	136,700	-	2,461,533	1,297,095	155,342	-	1,452,437	1,027,738	1,009,096
Computer	5,830,364	24,440	-	5,854,804	5,548,920	121,526	-	5,670,446	281,444	184,358
	19,481,147	161,140	-	19,642,287	12,355,021	723,766	-	13,078,787	7,126,126	6,563,500
Intangible Assets										
MSE Membership Card	2,000,000	-	-	2,000,000	-	-	-	-	2,000,000	2,000,000
Software	4,562,550	-	-	4,562,550	4,293,623	107,571	-	4,401,194	268,927	161,356
	6,562,550	-	-	6,562,550	4,293,623	107,571	-	4,401,194	2,268,927	2,161,356
Total	26,043,697	161,140	-	26,204,837	16,648,644	831,337	-	17,479,981	9,395,053	8,724,856
As on 31.03.2011	25,945,644	618,595	520,542	26,043,697	16,225,677	857,358	434,391	16,648,644	9,719,967	9,395,053



MUNOTH FINANCIAL SERVICES LIMITED

Note 9 Short-term provisions

(In Rs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Provision - others		
Auditors Remuneration Payable	67,500	67,500
Internal Audit Fee Payable	30,600	30,600
Stamp Charges Payable	26,930	-
NSDL Transaction Charges Payable	76,161	47,225
Other General Provision	142,355	177,120
TDS Payable	10,900	18,387
STT Payable	10,042	29,934
Total	<u>364,487</u>	<u>370,766</u>

Note 11 Non-current investments

(In Rs)

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
(a) Investments (At cost):						
Investment in equity instruments						
(i) of associates	15,877,675	9,762,932	25,640,607	15,877,675	9,762,932	25,640,607
(ii) of other entities	18,315,230	18,199,798	36,515,028	18,216,301	18,232,738	36,449,039
Total			<u>62,155,635</u>			<u>62,089,646</u>

DETAILS OF THE SHARES AS ON 31.3.2012

In Equited Shares of Indian Companies

A) Company Under the Same Management

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
<u>QUOTED</u>				
Munoth Communication Ltd	791200	15,877,675.00	791200	15,877,675.00
<u>UN QUOTED</u>				
South India Chemicals & Leasing P Ltd	7500	2,400,000.00	7500	2,400,000.00
Sankeshwara Finance & Investments P Ltd	20000	2,000,000.00	20000	2,000,000.00
Jaswant Estates P Ltd	5000	500,000.00	5000	500,000.00
Munoth Neg Windfarm	133700	362,932.00	133700	362,932.00
Munoth Industries Limited	450000	4,500,000.00	450000	4,500,000.00
		<u>25,640,607.00</u>		<u>25,640,607.00</u>

**MUNOTH FINANCIAL SERVICES LIMITED**

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
B) Others				
(i) Quoted				
# Bafna Spinning	500	2,900.00	500	2,900.00
# Bonanza Pharma	100	775.00	100	775.00
# Oswal Chemicals	50	12,636.00	50	12,636.00
# Siris Ltd	200	16,846.00	200	16,846.00
Agritech India	2140	2,140.00	2140	2,140.00
Alembic Chemicals	11000	1,046,129.00	11000	1,046,129.00
Antartica Ltd	1000	2,368.70	1000	2,368.70
Arihant Constyn	150	600.00	150	600.00
ATV Projects	300	5,100.00	300	5,100.00
Bajaj Auto	200	180,881.62	200	180,881.62
Bajaj Finserv Ltd	100	54,619.73	100	54,619.73
Bajaj Holding and Investment Ltd	100	144,206.30	100	144,206.30
Bhirwani Denim	200	1,250.00	200	1,250.00
Biofil Chemical	1000	1,000.00	1000	1,000.00
Blue Bend Petro	350	1,050.00	350	1,050.00
Brigade Enterprises Ltd	1000	406,344.00	1000	406,344.00
BTW Industries	100	300.00	100	300.00
Cable Corporation	1000	1,500.00	1000	1,500.00
Celebrity Fashions	1873	256,099.49	1873	256,099.49
Indian Terrian Fashions Ltd	535	-	535	-
Computer Power	184000	65,900.00	184000	65,900.00
Concert Spices	100	300.00	100	300.00
Consolidated Fibre	100	400.00	100	400.00
Coromandel Finance	900	6,300.00	900	6,300.00
CT Cotton Yarn	300	3,550.00	300	3,550.00
Deccan Granites	100	1,100.00	100	1,100.00
Dhampur Sugars	7066	742,494.75	5066	676,506.40
DSQ Biotech Ltd	170	23,800.00	170	23,800.00



MUNOTH FINANCIAL SERVICES LIMITED

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
Dynavision	200	650.00	200	650
Europeon Software	600	300.00	600	300.00
Fab Worth	100	1,975.00	100	1,975.00
Finolex Industries	100	6,035.45	100	6,035.45
Gangadharan Appliances	226	2,599.00	226	2,599.00
Golden Textiles	1300	3,900.00	1300	3,900.00
Gujrat Ambuja Cot Spin Limited	400	3,200.00	400	3,200.00
Gujrat Cotex	300	2,955.00	300	2,955.00
Harayana Petro	400	3,000.00	400	3,000.00
HDFC Bank Ltd	22	39,748.95	22	39,748.95
Hindustan Lever Ltd	1	173.27	1	173.27
Induj Infotech	105	105.00	105	105.00
Information Tech Ltd	5425	5,425.00	5425	5,425.00
Innovation Sec	1400	4,200.00	1400	4,200.00
Ispat Industries	4000	118,920.00	4000	118,920.00
IT People (India)	3636	514,400.00	3636	514,400.00
ITI	12000	942,574.14	12000	942,574.14
Jaswal Granites	600	3,100.00	600	3,100.00
Jay Flash	19500	58,500.00	19500	58,500.00
Kirlosker Electricals	100	1,926.00	100	1,926.00
Krishna Life	1000	993.00	1000	993.00
Kumar Metallurgical	300	750.00	300	750.00
L M L	450	7,534.00	450	7,534.00
MCC Finance Ltd	7000	77,000.00	7000	77,000.00
Midland Plastics	200	1,800.00	200	1,800.00
Modern Synthetics	1150	14,892.50	1150	14,892.50
Modi Threads	200	900.00	200	900.00
Nahar Spinning Mills	2000	243,985.00	2000	243,985.00
Nath Bio Genes	2354	2,354.00	2354	2,354.00

**MUNOTH FINANCIAL SERVICES LIMITED**

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
Nath Seeds	6206	6,206.00	6206	6,206.00
Natural Stone	900	5,400.00	900	5,400.00
NEPC India	200	4,188.00	200	4,188.00
Network Ltd	200	6,100.00	200	6,100.00
Omnitech Infosolu LT	3000	801,981.69	3000	801,981.69
Oswal Agro	350	546.43	350	546.43
Padmini Technology	700	1,400.00	700	1,400.00
Pan Asia Industries	100	1,200.00	100	1,200.00
PBA Infrastructure	17733	2,306,172.15	17733	2,306,172.15
Power Grid Corporation	10078	1,658,335.70	10078	1,658,335.70
Premier Ltd	100	5,324.67	100	5,324.67
Premier Plantations	100	200.00	100	200.00
Rajarithan Synthetic	600	3,000.00	600	3,000.00
Rathi Alloy and Steel	300	1,350.00	300	1,350.00
Reliance Capital Limited	2400	3,399,655.19	2400	3,399,655.19
Reliance Communication Ltd	3300	1,712,845.22	3300	1,712,845.22
Reliance Industries Ltd	250	450,973.00	250	450,973.00
Rishab Financial Services Ltd	18000	448,740.00	18000	448,740.00
Reliance Power Ltd	5000	1,930,429.00	5000	1,930,429.00
S Kumar Online	1000	2,000.00	1000	2,000.00
SAL Steel	10000	247,809.00	10000	247,809.00
Sanghi Poly Ltd	300	6,195.00	300	6,195.00
Sarala Gems Ltd	200	650.00	200	650.00
Silver Tech	6	590.00	6	590.00
Silverline Animation technologies ltd	2	196.50	2	196.50
Spice Jet	5000	195,815.64	5000	195,815.64
State Bank of India	13	14,046.58	13	14,046.58
Sudati Hosiery	300	3,000.00	300	3,000.00
Sunpharma Ltd	100	-	100	-

**MUNOTH FINANCIAL SERVICES LIMITED**

	QTY	AMT.IN Rs.	QTY	AMT.IN Rs.
Super Forgings	200	3,300.00	200	3,300.00
Tirumal Textiles Process	400	2,000.00	400	2,000.00
TN Sponge	100	400.00	100	400.00
TNPL	100	8,254.00	100	8,254.00
Uniworth International	150	1,550.00	150	1,550.00
Vantel Tech	50	50.00	50	50.00
Veena Textiles	200	1,500.00	200	1,500.00
Videocon VCR	100	1,600.00	100	1,600.00
Vikas WSP Ltd	3000	3,000.00	3000	3,000.00
Vishal Exports-(Bonus)	1000	-	1000	-
Welwin	100	1,800.00	100	1,800.00
		18,282,289.67		18,216,301.32
(ii) UNQUOTED				
Arihant Fabrics	50	100.00	50	100.00
# Benaras Bank	87490	4,811,950.00	87490	4,811,950.00
# Deve Sugar	9400	1,410,000.00	9400	1,410,000.00
# Parvathi Hi tech	10000	100,000.00	10000	100,000.00
*# Rayalaseema Paper Mills	1120000	11,200,000.00	1120000	11,200,000.00
# Rhino Tyres	200	1,000.00	200	1,000.00
Madras Stock Exchange	285000	15,000.00	285000	15,000.00
India Mobile Network P Ltd	50000	500,000.00	50000	500,000.00
MSE Financial Services Ltd	13479	161,748.00	13479	161,748.00
Essar Steel	114	32,940.00	114	32,940.00
		18,232,738.00		18,232,738.00
TOTAL		36,515,027.67		36,449,039.32
GRAND TOTAL		62,155,634.67		62,089,646.32

* Received as consideration against preferential issue of 112000 equity shares of Rs.10/- each at a premium of Rs.90/- each.

** The Market Value of Aggregated Quoted investments amounts to Rs. 12,151,101.

*** No Provision is made for diminution in Value of Investments

Shares amounting to Rs. 1,75,56,107 are not held in the Name of the Company.

**MUNOTH FINANCIAL SERVICES LIMITED****Note 12 Long-term loans and advances****(In Rs)**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Security deposits		
Secured, considered good	8,416,971	8,511,585
(b) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	614,222	-
(c) MAT credit entitlement - Unsecured, considered good	51,161	51,161
Total	9,082,355	8,562,746

Note 13 Trade receivables**(In Rs)**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	518,996	791,450
	518,996	791,450
Other Trade receivables		
Secured, considered good	4,748,168	1,323,177
	4,748,168	1,323,177
Total	5,267,164	2,114,627

Note 14 Cash and cash equivalents**(In Rs)**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Cash on hand		
Cash at Bangalore	7,204	7,204
Cash account DP	5,961	3,547
Main Cash	250,000	250,000
Cash	8,846	9,187
(b) Balances with banks		
(i) In current accounts		
HDFC NSE Derivative settlement account	310,483	504,040
HDFC NSE Derivative client account	236,587	21,415
HDFC NSE Due account	135,588	3,224
HDFC EXP	88,943	247,298
HDFC NSE Equity client account	63,315	88,501
HDFC NSE Equity settlement account	29,220	1,791,450
HDFC client margin account	10,000	10,000
HDFC banglore account	8,033	10,108
HDFC -DIV (ECS)	3,085	9,993
Bank of Baroda-DIV a/c	2,831	3,450
Bank OD Baroda	49,293	79,038
(ii) In deposit accounts	7,476,845	12,192,374
Total	8,686,234	15,230,829



MUNOTH FINANCIAL SERVICES LIMITED

Note 15 Short-term loans and advances (In Rs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Loans and advances to employees		
Secured, considered good	34,223	208,213
(b) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	895,843	458,227
Total	930,066	666,440

Note 16 Other current assets (In Rs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Accruals		
(i) Interest accrued on deposits	79,037	70,568
(ii) Accrued income	101,426	-
(b) Others		
(i) Others		
Income Tax Refund Due 2002-03	276,921	276,921
Income Tax Appeal Refund Due 2001	273,255	273,255
Income Tax Refund Due 2008-09	186,260	317,048
Income Tax Refund Due 2007-08	135,281	794,874
Income Tax Appeal Refund Due	555,408	555,408
Income tax Refund due 2009-10	-	104,650
DP Amc and Transactions receivable	1,027,315	964,480
Dp Service tax receivable	265	-
Service tax receivable	26,379	-
TDS Receivable	58,006	88,857
Total	2,719,553	3,446,061

Note 17 Revenue from operations (In Rs)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Income From Operations	4,794,303	8,747,042
Total	4,794,303	8,747,042

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
-------------	-----------------------------------	-----------------------------------

Income From Operations Comprises:

DP and AMC Transaction Charges	787,431	1,063,063
Brokerage and Turnover charges received	4,006,871	7,683,979
Total - Sale of services	4,794,303	8,747,042



MUNOTH FINANCIAL SERVICES LIMITED

Note 18 Other income

(In Rs)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Interest income (Refer Note (i) below)	571,337	896,681
Dividend income	117,948	166,178
Net gain on sale of:		
current investments	-	40,748
long-term investments	-	450,423
Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	98,434	114,946
Total	<u>787,718</u>	<u>1,668,976</u>
(i) Interest income comprises:		
Interest from banks on:		
deposits	560,624	896,681
other balances		
Interest on income tax refund	10,713	-
Other interest		
Total - Interest income	<u>571,337</u>	<u>896,681</u>
(ii) Other non-operating income comprises:		
Profit on sale of fixed assets	-	85,849
Miscellaneous income [net of expenses directly attributable]	98,434	29,097
Total - Other non-operating income	<u>98,434</u>	<u>114,946</u>

Note 19 Employee benefits expense

(In Rs)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Salaries and wages	3,422,543	3,836,875
Contributions to provident and other funds	223,646	252,988
Staff welfare expenses	214,906	299,072
Total	<u>3,861,095</u>	<u>4,388,935</u>

Note 20 Finance costs

(In Rs)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(a) Interest expenses	1,961,879	1,633,668
(b) Other Borrowing Costs	312,347	431,878
Total	<u>2,274,226</u>	<u>2,065,546</u>
Other Borrowing Costs		
(i) Bank Charges	62,687	
(ii) Bank Guarantee Charges	249,660	
	<u>312,347</u>	

**MUNOTH FINANCIAL SERVICES LIMITED**

Note 21 Other expenses	(In Rs)	
Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Power and fuel	529,543	540,136
Repairs and maintenance - Buildings	78,660	190,017
Repairs and maintenance - Machinery	208,919	327,777
Repairs and maintenance - Others	167,822	26,790
Insurance	58,831	72,448
Rates and taxes	59,381	69,480
Communication	411,345	350,403
Travelling and conveyance	193,788	90,529
Printing and stationery	166,648	183,330
Business promotion	257,465	137,110
Legal and professional	157,870	112,990
Payments to auditors (Refer Note (i) below)	252,650	229,000
Bad trade and other receivables, loans and advances written off	225,000	-
Net Loss From sale Of Long Term Investments	-	1,928,667
Provision for gratuity	48,031	48,031
Vsat charges	200,000	-
Registration fees PMS	118,822	200,000
Registration fees MBD	191,667	190,556
Lease Line charges	134,642	134,637
NSE Transaction charges - Equity & F&O	174,045	299,585
Annual Subscription fees	153,207	553,207
Clearing & Settlement charges	12,418	-
Service tax expense	-	216,285
Profit and loss from F&O Trading	465,989	-
Professional tax	2,055	-
NSDL Transaction charges	121,448	181,139
Miscellaneous expenses	<u>214,865</u>	<u>216,640</u>
Total	<u>4,605,111</u>	<u>6,298,757</u>

Notes

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	75,000	75,000
For company law matters	8,000	8,000
For management services	122,000	122,000
For other services	42,500	24,000
Reimbursement of expenses	5,150	-
Total	<u>252,650</u>	<u>229,000</u>



MUNOTH FINANCIAL SERVICES LIMITED

Note 22 Disclosures under Accounting Standards

(In Rs)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Earnings per share		
<u>Basic and Diluted</u>		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(5925831)	(3147393)
Weighted average number of equity shares	5135300	5135300
Par value per share	10.00	10.00
Earnings per share	(1.15)	(0.61)

Note 23 Related Party Transactions

Related party disclosures under Accounting Standard - 18.

Related Parties

A (I) Associate Companies

- a) Munoth Communications Limited
- b) Munoth Industries Limited
- c) South India Chemicals & Leasing (P) Ltd
- d) Maharana Finance & Investments (P) Ltd
- e) Shankeswar Finance & Investments (P) Ltd
- f) Jaswant Estates (P) Ltd
- g) Munoth Negwind Farm (P) Ltd

(II) Key Management personnel and their relatives:-

- a) Lalchand Munoth
- b) Jaswant Munoth
- c) Bharat Munoth
- d) Vikas Munoth
- e) Leela Devi
- f) Vijayalaksmi Munoth
- g) Aruna Munoth
- h) Kanchan Munoth

B. Related Party Transactions

	Current Year Rs.	Previous Year Rs.
I) With Associate Companies		
a) Purchase of Investments	-	-
b) Sale of Investments	-	-
c) Rendering of services	-	-
d) Outstanding balances in loans & Advances	-	-
e) Interest Paid	-	-



MUNOTH FINANCIAL SERVICES LIMITED

C. With Key Management Personnel and their Relatives

a) Remuneration and perks	1,445,000	1,287,000
b) Incentive Paid	-	-
c) Rendering of services	-	-
d) Rental Deposit Outstanding	-	-
e) Share Application Money Received	2,500,000	-
f) Share Application Money Refunded	-2,500,000	-

Note 24 Employee benefit plans

Defined contribution plans

The Company makes Recognized Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company recognised Rs. 2,23,646 (Year ended 31 March, 2012) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

As per our report of even date attached

For MARDIA & ASSOCIATES

Chartered Accountants
Firm Reg No: 007888S

(MANISH MARDIA)

Proprietor
M. No 205307

PLACE : CHENNAI
DATE : 26/05/2012

For and on behalf of the Board of Directors

LALCHAND MUNOTH
Chairman

JASWANT MUNOTH
Managing Director

BHARAT MUNOTH
Managing Director



MUNOTH FINANCIAL SERVICES LIMITED

Cash Flow Statement for the year ended 31 March 2012

(In Rs)

	Year ended 31 March 2012 Rs. in '000	Year ended 31 March 2011 Rs. in '000
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(5,989,748)	(3,194,578)
<i>Adjustments for:</i>		
Depreciation and amortisation	831,337	857,358
(Profit) / loss on sale / write off of assets		(85,849)
Finance cost	2,274,226	2,065,546
Interest income	(571,337)	(896,681)
Dividend income	(117,948)	(166,178)
Net (gain) / loss on sale of investments		(491,171)
	<u>2,416,278</u>	<u>1,283,025</u>
Operating profit / (loss) before working capital changes	<u>(3,573,470)</u>	<u>(1,911,553)</u>
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	(3,152,537)	<u>162,973</u>
Short-term loans and advances	(263,626)	<u>128,733</u>
Long-term loans and advances	(519,608)	
Other current assets	726,508	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(508,454)	(3,729,991)
Other current liabilities	2,516,909	
Short-term provisions	(6,279)	
Long-term provisions	48,032	
	<u>(1,159,055)</u>	<u>(3,438,285)</u>
Cash generated from operations	<u>(4,732,525)</u>	<u>(5,349,838)</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(161,140)	<u>(618,595)</u>
Proceeds from sale of fixed assets		172,000
- Placed		<u>(408,343)</u>
Purchase of long-term investments		
- Others	(65,988)	<u>(16,385,867)</u>
Proceeds from sale of long-term investments		
- Business units		
- Others		19,337,144
Interest received		
- Others	571,337	896,681
Dividend received		
- Others	117,948	166,178
Cash generated from Investing activities	<u>462,156</u>	<u>3,159,198</u>



MUNOTH FINANCIAL SERVICES LIMITED

C. Cash flow from financing activities

Share application money received / (refunded)		(15,000,000)	
Net increase / (decrease) in working capital borrowings		1,874,673	
Finance cost	(2,274,226)	(2,065,546)	
	(2,274,226)		(15,190,873)
Cash generated from Financing activities	(2,274,226)		(15,190,873)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(6,544,595)		(17,381,513)
Cash and cash equivalents at the beginning of the year	15,230,829		32,612,342
Cash and cash equivalents at the end of the year	<u>8,686,234</u>		<u>15,230,829</u>
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
As per Balance sheet - note 14	<u>8,686,234</u>		<u>15,230,829</u>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For MARDIA & ASSOCIATES

Chartered Accountants
Firm Reg No: 007888S

(MANISH MARDIA)
Proprietor
M. No 205307

PLACE : CHENNAI
DATE : 26/05/2012

For and on behalf of the Board of Directors

LALCHAND MUNOTH
Chairman

JASWANT MUNOTH
Managing Director

BHARAT MUNOTH
Managing Director

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statement of M/s. Munoth Financial Services Limited for the year ended 31st March 2012 which is based on and in agreement with the audited accounts for the relevant financial year. According to the information and explanation given to us, the aforesaid Cash Flow Statement, prepared by the company, is in accordance with the requirements of Clause 32 of the Listing agreement with the Stock-Exchanges.

For MARDIA & ASSOCIATES
Chartered Accountants

Place : Chennai
Date : 26/05/2012

(MANISH MARDIA)
Proprietor
M. No 205307

MUNOTH FINANCIAL SERVICES LIMITED

Regd. Off: 3rd Floor, Suite No. 46 & 47, Munoth Centre, 3rd Floor,
343, Triplicane High Road, Triplicane, Chennai - 600 005.

PROXY FORM

Reg. Folio No. No. of Shares.....

DPID : Client ID

I/We of

In the district of being a member/members

of the above name Company hereby appoint of

in the district of or falling him

..... of in the district of

..... as my/our proxy to vote for me/us on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on Friday 31st August, 2012 at 10.25 A.M. at Nahar Hall, (SouthIndia Hire Purchase Association), Desabandhu Plaza, 1st Floor, 47 Whites Road, Royapettah, Chennai - 600 014. and at any adjournment thereof.

Signed this day of 2012.



Signature

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

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

MUNOTH FINANCIAL SERVICES LIMITED

Regd. Off: 3rd Floor, Suite No. 46 & 47, Munoth Centre, 3rd Floor,
343, Triplicane High Road, Triplicane, Chennai - 600 005.

ATTENDANCE SLIP

21st 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 Twenty First Annual General Meeting of the Company held on Friday 31st August, 2012 at 10.25 A.M. at Nahar Hall, (South India Hire Purchase Association), Desabandhu Plaza, 1st Floor, 47 Whites Road, Royapettah, Chennai - 600 014.

Members / Proxy's Name in Block Letters Member's / Proxy Signature

Address:

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