






FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

1.	Name of the Company	Networth Stock Broking Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	<p>Matter of Emphasis that:</p> <ol style="list-style-type: none"> 1. The unpaid stamp duty from August 2010 for state other than Maharashtra, Andhra Pradesh and Rajasthan has been offered for taxation during the year due to practical difficulties of depositing the same. 2. Non-depositing of unpaid dividend to Investor Education and Protection Fund after 7 years of its declaration. 3. There are disputes pending before the authorities in respect of Income tax. 4. The Company has accumulated losses at the end of financial year which are not less than fifty percent of its networth.
4.	Frequency of Observation	<p>Point 1 is appearing since last 2 years Point 2 has appeared for first time Point 3 is appearing since last 6 years Point 4 is appearing since last 3 years</p>
5.	<p>To be Signed by -</p> <ul style="list-style-type: none"> • CFO/Executive Director • Auditor of the Company • Audit Committee Chairman 	<p> _____ Manish Ajmera</p> <p> _____ Pankaj Jain</p> <p> _____ Mohit Agrawal</p> <p>  </p>



 **networth**[™]

20th ANNUAL REPORT 2012-2013

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Board of Directors

Mr. Suresh P. Jain	: Chairman
Mr. Manish Ajmera	: Executive Director & CFO
Mr. Mohit Agrawal	: Independent Director
Mr. Praveen Toshniwal	: Independent Director
Mr. Sanjay Motta	: Independent Director

Company Secretary

Ms. Dipti Vira

Registered & Corporate Office

Office No.1001/1002,
10th Floor, Atlanta Centre,
Opp. Udyog Bhawan, Sonawala Road,
Goregaon (East), Mumbai – 400063.
Tel: 022-30641600 Fax: 022-28352405
Email: reachus@networthdirect.com

Bankers

HDFC Bank Ltd.
ICICI Bank Ltd.
Citibank N.A.
Corporation Bank

Auditors

M/s. Dileep and Prithvi
Chartered Accountants
Mumbai.

Registrar & Share Transfer Agents

Skyline Financial Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area,
Phase - I, New Delhi- 110020.
Tel: 011-26812682
Email: admin@skylinerta.com

Annual General Meeting

Day : Friday
Date : 20th December, 2013
Time : 11.30 A.M.
Venue : Kilachand Conference Room, 2nd Floor,
Indian Merchant Chambers, LNM IMC Building,
Churchgate, Mumbai – 400020.

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of **NETWORTH STOCK BROKING LIMITED** will be held on Friday, the 20th day of December, 2013 at 11.30 a.m. at Kilachand Conference Room, 2nd Floor, Indian Merchants Chambers, LNM IMC Building, Churchgate, Mumbai – 400020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss of the Company for the year ended on that date together with Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Sanjay Motta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Dileep and Prithvi, Chartered Accountants, Mumbai (having FRN: 122290W) as Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting up to the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and relevant provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company and such other approvals as may be necessary, the re-appointment of Mr. Manish Ajmera as an Executive Director of the Company for a further period of 1 (One) year with effect from 12th December, 2012 be and is hereby approved on the following terms and conditions:

Sr. No.	Components	Per month (Amount in ₹)
1	Basic Pay	96,315
2	House Rent Allowance	48,158
3	Transport Allowance	2,000
4	Children’s Education Allowance	200
5	LTA*	9,632
6	Medical Reimbursement	1,250
7	Employer’s contribution to Provident Fund	780
Total		158,334

*LTA would be payable as per the provisions of Income Tax Act, 1961.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of service of Mr. Manish Ajmera as an Executive Director of the Company, the remuneration, as approved by this resolution, shall be payable as minimum remuneration to him.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all necessary acts, deeds and things as may be necessary to carry on the purpose of this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and relevant provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company and such other approvals as may be necessary, the re-appointment of Mr. Manish Ajmera as an Executive Director of the Company for a further period of 1 (One) year with effect from 12th December, 2013 be and is hereby approved on the following terms and conditions:

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RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all necessary acts, deeds and things as may be necessary to carry on the purpose of this resolution.”

By order of the Board of Directors
For Networth Stock Broking Limited

Place: Mumbai
Date : 13th November, 2013

Dipti Vira
Company Secretary

Registered Office:

Office No.1001/1002,
10th Floor, Atlanta Centre,
Opp. Udyog Bhawan, Sonawala Road,
Goregaon (East), Mumbai - 400 063.

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF ON POLL ONLY. A PROXY NEED NOT BE A MEMBER. PROXY FORM IS ENCLOSED HERewith. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. An Explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this notice.
3. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote at the Annual General Meeting or at any adjournment thereof.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 16th day of December, 2013 to Friday, the 20th day of December, 2013 (both days inclusive).
5. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company is required to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claims shall lie against the said fund or the Company for the amount of dividend so transferred to IEPF. Shareholders who have yet not encashed their dividend warrant(s) for the financial year ended 31st March, 2007 or any subsequent financial years are requested to make their claims to the Company.
6. Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the Company's Registrar & Share Transfer Agents - M/s. Skyline Financial Services Private Limited, Unit: Networth Stock Broking Limited, Office No.1001/1002, 10th Floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (East), Mumbai - 400 063 for consolidation of all such shareholding into one folio to facilitate better services.
7. Members / Proxies should bring the enclosed attendance slip duly filled in for attending the meeting along with the Annual Report. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID for easy identification of attendance at the meeting.
8. Members holding shares in physical form are requested to notify any change in their address to the Company quoting their folio number immediately. Members holding shares in electronic form may update such details with their respective Depository Participants.
9. Members desirous of getting any information about the accounts of the Company are requested to send their queries so as to reach at-least ten days before the meeting at the registered office of the Company, so that the information required can be made readily available at the meeting and the same can be suitably replied.
10. Members/Proxies are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card, etc, having photo identity) while attending the meeting.

11. In pursuance of Clause 49(IV)(G) of the Listing Agreement, the details of directors seeking re-appointment at the ensuing Annual General Meeting to be held on Friday, the 20th day of December, 2013 are given below:

Name of the Director	Mr. Sanjay Motta	Mr. Manish Ajmera
Date of Birth	4 th August, 1977	8 th October, 1969
Nationality	Indian	Indian
Date of Appointment as Director	27 th August, 2011	12 th December, 2010
Qualifications	B. Com, FCA	B. Com (Hons.), Grad CWA, ACS, CFA.
Designation	Independent Director	Executive Director & CFO
Experience/Expertise	11 years Experience in field of Audit and Taxation.	24 years Experience in field of Stock Broking and Financial Services.
Shareholding in the Company Equity shares of ₹ 10/- each	Nil	Nil
List of Directorships in other companies	Nil	1. Networth SoftTech Ltd. 2. Networth Wealth Solutions Ltd. 3. Networth Commodities & Investments Ltd. 4. Networth Financial Services Ltd. 5. Networth Insurance Broking Pvt. Ltd. 6. Ravisha Financial Services Pvt. Ltd.
List of Chairmanship and Membership in Public Companies	Member of the following committees of the Company: 1. Audit Committee; 2. Investors' Grievance Committee; and 3. Remuneration Committee.	Nil
Relationship with existing Directors of the Company	None	None

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NOS. 4 & 5:

The tenure of Mr. Manish Ajmera as an Executive Director of the Company expired on 11th December, 2012. The Board of Directors of the Company re-appointed Mr. Manish Ajmera as an Executive Director of the Company for a further period of 1 (one) year w.e.f. 12th December 2012 and subsequently re-appointed him for a further period of 1 (One) year w.e.f. 12th December 2013, subject to the approval of the shareholders and other authorities.

The Remuneration Committee of the Company has also approved the re-appointment and payment of remuneration to Mr. Manish Ajmera.

The additional details as required pursuant to the proviso (iv) to Clause B of Section II of Part II of Schedule XIII to the Companies Act, 1956 are given below:

I. General Information		
(1)	Nature of industry	Stock Broking
(2)	Date or expected date of commencement of commercial production	The Company is an existing Company and is in operation since 1993.
(3)	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	N.A.
(4)	Financial performance based on given indicators	EPS : ₹ 0.69 Return on Networth: (2.72%)
(5)	Export performance and net foreign exchange collaborations	Nil
(6)	Foreign investments or collaborators, if any	Nil
II. Information about the appointee		
(1)	Background details	Mr. Manish Ajmera aged 44 years, is a B. Com (Hons.), Grad CWA, ACS, CFA and has 24 years of experience in the field of Stock Broking and Financial Services.
(2)	Past Remuneration	₹ 19.00 Lacs per annum (approx.)
(3)	Recognition or awards	Mr. Manish Ajmera has good experience in the industry in which the Company operates.
(4)	Job profile and his suitability	Mr. Manish Ajmera shall serve as Executive Director of the Company and would be responsible for the day to day affairs of the Company, subject to the superintendence, control and direction of the Board of Directors of the Company and exercise such powers and rights as permissible to the Executive Director under the Articles of Association and entrusted by the Board from time to time. Considering the qualification, experience, proven track record and performance of Mr. Manish Ajmera and efforts put in by him for the growth of the Company as well as capacity to handle emerging challenges in the times to come, the re-appointment of Mr. Manish Ajmera as an Executive Director would be beneficial to the Company.
(5)	Remuneration proposed	₹ 19.00 Lacs per annum (approx.)
(6)	Comparative remuneration profile with respect to industry	Considering his rich experience, the terms of his remuneration are considered fair, just and reasonable and are at par with the standards of the industry in which the Company operates.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Manish Ajmera does not have any other pecuniary relationship directly or indirectly with the Company or other managerial personnel.
III. Other information		
(1)	Reasons of loss or inadequate profits	Adverse market conditions, lower participation of retail investors, etc. were major reasons for inadequate profits of the Company.
(2)	Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms	The Company had been able to lower its cost of operations and reduce its losses even when the market conditions were not supportive and volumes were falling across the sector. The Company expects turnaround with corrective steps taken by it and will increase in retail participation. The revenue will increase leading to profitability in the near future. Further, the proposed merger of Monarch Research and Brokerage Private Limited ("MRBPL") and Monarch Project and Finmarkets Limited ("MPFL") with the Company will also benefit in terms of revenue and profits.

The Board of Directors recommends the Special Resolutions as set out at item nos. 4 & 5 for the member's approval.

Except Mr. Manish Ajmera, none of the other directors and key managerial personnel of the Company or their relatives are interested or concerned in the said Special Resolutions.

By order of the Board of Directors
For Networth Stock Broking Limited

Place: Mumbai

Date : 13th November, 2013

Registered Office:

Office No.1001/1002, 10th Floor, Atlanta Centre,
Opp. Udyog Bhawan, Sonawala Road,
Goregaon (East), Mumbai - 400 063.

Dipti Vira
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors present the 20th Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March 2013.

Financial Highlights

(₹ in Lacs)

Particulars	For the Year ended 31 st March, 2013	For the Year ended 31 st March, 2012
Total revenue	2067.81	2145.75
Profit/ (Loss) before Depreciation & Amortization expenses, Finance Cost and Tax	348.12	(313.03)
Less: Depreciation and Amortization expenses	161.29	162.33
Less: Finance Cost	154.77	100.82
Profit/(Loss) before exceptional and extraordinary items and tax	32.06	(576.18)
Less: Exceptional/Extra Ordinary Items and Prior Period Adjustments	2.98	8.07
Profit/(Loss) before tax	29.08	(584.25)
Less: Tax Expense	(48.84)	(299.23)
Profit/(Loss) after tax	77.92	(285.02)
Balance of Profit/(Loss) as per last Balance Sheet	(2289.68)	(2004.66)
Balance of Profit/(Loss) carried to Balance Sheet	(2211.76)	(2289.68)

Financial Performance

During the financial year under review, the gross income of the Company was ₹ 2067.81 Lacs as compared to ₹ 2145.75 Lacs in the previous financial year. The profit after tax was ₹ 77.92 Lacs during the financial year under review, as against the loss incurred of ₹ 285.02 Lacs in the previous year.

Dividend

In view of accumulated losses and to conserve the resources for future business requirements, your Directors do not recommend any dividend for the year under review.

Directors

In accordance with the provision of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sanjay Motta, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends for his re-appointment.

Mr. Manish Ajmera was re-appointed as Executive Director of the Company for further period of 1 year w.e.f. 12th December, 2012 and subsequently for further period of 1 year w.e.f. 12th December, 2013, subject to the approval of members and other authorities, if any.

Your Board recommends for his re-appointment.

Directors' Responsibility Statement

Pursuant to the requirements under Section 217 (2AA) of the Companies Act 1956, your Directors hereby state and confirm that:

- in the preparation of the Annual Accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed and no material departures, if any, have been made from the same;
- the Directors have 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 as at 31st March, 2013 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors have prepared the annual accounts for the financial year ended 31st March, 2013 on a "going concern" basis.

Subsidiary Companies and Consolidated Financial Statements

The Ministry of Corporate Affairs (MCA) vide General Circular No.2/2011 No. 51/12/2007-CL-III dated 8th February 2011 read with General Circular No.3/2011 No. 5/12/2007-CL-III dated 21st February 2011 has granted a general exemption from attaching the Balance Sheet of Subsidiary Companies with holding Company's Balance Sheet, if the holding Company presents in its Annual Report Consolidated Financial Statements duly audited by its Statutory Auditors. The Company is publishing Consolidated Financial Statements in the Annual Report and accordingly the Company is not attaching the Balance Sheets of the Subsidiary Companies with its Balance Sheet. Further, as required under the said circular, a statement of financial information of the Subsidiary Companies viz. Network Commodities & Investments Limited (NCIL), Network Wealth Solutions Limited (NWSL), Network SoftTech Limited (NSL), Network Insurance Broking Private Limited (NIBPL) and Ravisha Financial Services Private Limited (RFSL) is given in Annexure attached to this report.

The Annual Accounts of the above referred Subsidiary Companies shall be made available to the shareholders of the Company on request and will also be kept open for inspection at the registered office of the Company and of the Subsidiary Companies during the office hours on all working days and during the Annual General Meeting.

Public Deposits

Your Company has neither accepted nor renewed any deposit within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules made thereunder during the year ended 31st March, 2013.

Statutory Auditors

M/s. Dileep and Prithvi, Chartered Accountants (having FRN: 122290W), Mumbai, the Statutory Auditors of the Company hold the office upto the conclusion of the ensuing Annual General Meeting and being eligible, have offered for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be in conformity with the limits prescribed under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act. The Board recommends their re-appointment.

Auditors' Remarks

1. Auditors' remarks at Paragraph 9 (a) (i) of the Annexure to their Report is self explanatory. With respect to Auditor's remark made at Paragraph 9 (a) (ii) and 9(b) of the Annexure to their report, your directors would like to state that the Company is in process of making the payment of unpaid dividend to Investor Education and Protection Fund.
2. With respect to the Auditors' remarks at Paragraph 10 of the Annexure to their report, your directors would like to state that due to unforeseen market conditions and other factors, the Company had incurred cash losses, however, the Company expects a recovery of losses in the near future and accordingly the accounts are prepared on a "Going Concern" basis.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, Reports on Management Discussion and Analysis and Corporate Governance along with a Certificate of Compliance thereof from the Statutory Auditors are attached and form part of this Report.

Audit Committee

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered into with the BSE Ltd., the Company has constituted an Audit Committee comprising of Mr. Mohit Agrawal, Mr. Praveen Toshniwal, Mr. S. P. Jain, and Mr. Sanjay Motta. Mr. Mohit Agrawal is the Chairman of the Committee.

Depository System

As the Members are aware, your Company's share are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail the facility of dematerialisation of the Company's shares on either of the Depositories as aforesaid.

Particulars of Employees

During the year under review, no employees was in receipt of remuneration exceeding the limits as prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975, as amended, hence no such particulars are furnished.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange earnings and Outgo

(A) Conservation of Energy

Considering the nature of business activities carried out by the Company, your directors have nothing to report with regard to conservation of energy as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(B) Technology absorption, research and development

The management keeps itself abreast of the technological advancements in the industry and has adopted the state of the art transaction, billing and accounting systems and also risk management solutions.

(C) Foreign Exchange Earnings and Outgo

- a) The foreign exchange earnings - ₹ 0.63 Lacs (previous year Nil).
- b) The foreign exchange expenditure - Nil (previous year Nil).

Scheme of Amalgamation

The Board of Directors of your Company at its meeting held on 9th April, 2011 has approved the Scheme of Amalgamation (the Scheme) under Section 391 to 394 read with Section 78 of the Companies Act, 1956 of Monarch Research and Brokerage Private Limited ('MRBPL') and Monarch Project and Finmarkets Limited ('MPFL') with the Company with effect from appointed date i.e. 1st April, 2010. The same is also approved by the shareholders of the Company at the Court Convened Meeting held on 9th April, 2012.

Networth Stock Broking Limited (NSBL) and MPFL has filed petition on 30th April, 2012 with the Hon'ble High Court of Bombay and MRBPL on 27th June, 2012 with the Hon'ble High Court of Gujarat at Ahmedabad and the same has been admitted by the respective High Courts.

Further, MRBPL has received the sanction of the Hon'ble High Court of Gujarat on 3rd May, 2013, the certified copy of the said order has been filed with Registrar of Companies (RoC), Gujarat.

Further, the Company has received No Objection / Prior Approval from BSE, NSE, NSDL, CDSL, USE and SEBI – Portfolio Management Services (PMS) except from SEBI, MCX-SX and SEBI – Merchant Bankers' Section for the said Scheme of Amalgamation.

The petition of NSBL and MPFL is pending for final disposal with Hon'ble High Court of Bombay.

Acknowledgement

Your Directors would take this opportunity to express their sincere appreciation for the co-operation and assistance received from the shareholders, Company's clients, suppliers, bankers and other authorities during the year under review. Your Directors also wish to place on record their appreciation for the services rendered by all the employees of your Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date : 13th November, 2013

Manish Ajmera
Executive Director & CFO

Suresh P. Jain
Chairman

INFORMATION WITH REGARD TO SUBSIDIARY COMPANIES

Information as required under General Circular No. 2/2011 No. 51/12/2007-CL-III dated 8th February, 2011 issued by the Ministry of Corporate Affairs (MCA) relating to Subsidiary Companies for the year ended 31st March, 2013

(₹ in Lacs)

Sr. No.	Particulars	Networth Commodities & Investments Ltd.	Networth Wealth Solutions Ltd.	Ravisha Financial Services Pvt. Ltd.	Networth SoftTech Ltd.	Networth Insurance Broking Pvt. Ltd.
1	Financial year ended on	31 st March, 2013	31 st March, 2013	31 st March, 2013	31 st March, 2013	31 st March, 2013
2	Share Capital	140.07	100.00	500.00	5.00	1.00
3	Reserve & Surplus	93.39	(1116.46)	(215.62)	12.59	(0.24)
4	Total Assets	611.66	265.00	6292.87	23.83	3.20
5	Total Liabilities	378.20	1281.46	6008.49	6.23	2.44
6	Investments (excluding investments in subsidiary companies)	0.48	-	-	-	-
7	Turnover & Other Income	361.76	31.27	227.93	42.93	-
8	Profit/(Loss) before Taxation	(27.25)	8.22	(406.71)	1.78	(0.17)
9	Provision for Taxation	-	1.73	(8.41)	0.52	-
10	Profit/ (Loss) after Taxation	(27.25)	6.49	(398.29)	1.26	(0.17)
11	Proposed Dividend	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date : 13th November, 2013

Manish Ajmera
Executive Director & CFO

Suresh P. Jain
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Review

The financial year 2012-13 was marked by economic slowdown, declining volumes in equity markets and reduced participation by the retail clients. The inflation started reducing from its peak levels recently leading to repo rate cuts announced by RBI during the first half of 2013. However, the capital markets continued its sluggish run during the most part of the financial year due to sluggish investment activities as well as slowdown in consumption demand.

Industry Outlook

The financial services industry has been facing a very challenging business environment of reducing margins, lack of participation of retail investors in the capital markets coupled with tough economic conditions, etc. However, in view of the recent reforms like FDI in retail, aviation sectors, steps to address fiscal situation and handling the twin deficits better, steps to boost investment climate by the government, the financial services industry may recover from the downtrend and look forward to increased participation of the retail investors, healthy investment climate to change the business environment in the economy, sustained pace of reforms, etc.

Growth Strategy

The Company's focus on the Retail Business continues inspite of the lower retail participation. The margins remained under pressure due to falling delivery volumes and shift in business to low yield options. The Company has been steadily increasing its retail reach through increase of business associates and a few branches to its network. However, due to sluggish capital markets and reduced level of retail participation, the increase in business associates is slower. The Company continues its focus on retail expansion which will contribute to Network's business over next 2 to 3 years.

Amalgamation

The Board of Directors of your Company at its meeting held on 9th April, 2011 has approved the Scheme of Amalgamation (the Scheme) under Section 391 to 394 read with Section 78 of the Companies Act, 1956 of Monarch Research and Brokerage Private Limited ('MRBPL') and Monarch Project and Finmarkets Limited ('MPFL') with the Company with effect from appointed date i.e. 1st April, 2010. The same is also approved by the shareholders of the Company at the Court Convened Meeting held on 9th April, 2012.

Network Stock Broking Limited (NSBL) and MPFL has filed petition on 30th April, 2012 with the Hon'ble High Court of Bombay and MRBPL on 27th June, 2012 with the Hon'ble High Court of Gujarat at Ahmedabad and the same has been admitted by the respective High Courts.

Further, MRBPL has received the sanction of the Hon'ble High Court of Gujarat on 3rd May, 2013, the certified copy of the said order has been filed with Registrar of Companies (RoC), Gujarat.

Further, the Company has received No Objection / Prior Approval from BSE, NSE, NSDL, CDSL, USE and SEBI – Portfolio Management Services (PMS) except from SEBI, MCX-SX and SEBI – Merchant Bankers' Section for the said Scheme of Amalgamation.

The petition of NSBL and MPFL is pending for final disposal with Hon'ble High Court of Bombay.

Opportunity & Threats

Capital markets continues to pass through challenging times with economic slowdown, slow pace of reforms, slower growth in global economic environment, fluctuation in currency rates, etc. The pressure on Inflation is high with hike in petrol and diesel prices, higher fiscal deficit as well as current account deficits, etc. However, we feel that with better fiscal management and continuity in reforms by the government will infuse the needed push to the economy to bring it back on the growth track.

Human Resources

The Human Resources are the key in the service industry and the Company continues to retain existing talent as well thrives to acquire new talents continuously. The Company follows healthy HR practices, continuously training and motivating the workforce and guiding them to achieve the objectives of the Company in enhancing customer satisfaction through effective servicing skills, training and motivation.

The total number of employees of the Company and its subsidiaries as on 31st March, 2013 stood at 342.

Risk Management & Internal Control System

The Company has been continuously evaluating its risk management policies and framework to adjust to the continuous changes in the market scenario and the risk environment. It continues to enhance its capabilities in surveillance mechanism through automation and standardization of processes to make its risk management framework effective and efficient. Through persistent implementation of the risk containment measures and continuous surveillance adhering to the policies and procedures adopted for risk management, the Company has been able to minimize the risks associated with the capital markets to a great extent. The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. An extensive internal audit is carried out by independent firm of Chartered Accountants. Post audit reviews are carried out to ensure follow-up on the observations made. The Audit Committee of the Board reviews the scope of internal audit on a regular basis.

Outlook

The present macro economic situation of slow growth, bulging current account deficit and fiscal deficit, slower pace of reforms, etc. have led to the sluggish performance of the capital markets. However, in view of the various reform measures initiated by the Government to address these issues as well as improving the investment environment like relaxing FDI rules, reduction in subsidy in diesel, etc., the markets are expected

to witness slow growth based upon the progress of the reform measures in the coming months. The Equity markets and the currency markets are expected to be very volatile in the coming months. The commodity markets volumes are expected to remain sluggish due to impact of the commodity transaction tax. However, the volumes in metals and crude oil commodities are expected to grow during the coming months. The demand for loan against securities is likely to grow slowly due to sluggish growth of the capital markets but in the long term they are expected to grow faster. The business of distribution of financial products like mutual funds, insurance, fixed income instruments, IPOs, etc. will continue to be impacted due to various regulatory interventions as the market players are still in the process of adjusting to the changed regulatory scenario, however, we look forward to healthy growth in this segment in the long term.

Notwithstanding the slowdown in macro economic situation, we strongly believe that with the basket of the financial products to meet needs of the various class of investors, we look forward to healthy growth in the coming quarters.

Segment wise Performance

The Segment wise performance is given in Note 29 to the Consolidated Financial Statements.

Discussion on Financial Performance with respect to Operational Performance.

Financial Highlights with respect to Operational performance

(Figures in ₹)

Particulars	2012-13	2011-12	2010-11
Total Revenue	206781372	214575421	334803066
EBITDA	34812272	(31302764)	3999206
Profit before Tax	2907803	(58424823)	(36895862)
Profit after Tax	7791602	(28501723)	(30375874)
EPS	0.69	(2.54)	(2.70)

Cautionary Statement

Certain statements in the Management Discussion and Analysis Report describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. These statements are subject to certain risks and uncertainties. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results may be different from those expressed or implied since the Company's operations are affected by the many external and internal factors, which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance emphasizes on maintaining the highest level of accountability, highest standards of transparency in all its dealings, timely disclosures and dissemination of price sensitive information and matters of interests to its stakeholders, ensuring absolute compliance with all applicable laws and regulations and conducting business ethically.

The Company believes that Corporate Governance is about conducting business in accordance with the applicable laws, rules and regulations while striking a balance between economic and social goals.

BOARD OF DIRECTORS

The Board of Directors of the Company consists of directors having rich knowledge and experience in the industry and related sectors for providing strategic guidance and direction to the Company.

Size and Composition

As on 31st March, 2013, the Board of Directors comprised of five directors out of which four were Non-Executive Directors and one Executive Director. Moreover, three are Non-Executive/Independent Directors. The Chairman of the Board is Non-Executive Director. The Composition of the Board of Directors is in compliance with the requirements of Clause 49 of the Listing Agreement.

Necessary disclosures have been made by Directors stating that they do not hold membership in more than 10 Committees or act as a Chairman in more than 5 Committees in terms of Clause 49 of the Listing Agreement.

Board Meetings

During the financial year 2012-13, 6 (Six) meetings of Board of Directors were held on viz., 17th May, 2012, 21st August, 2012, 22nd September, 2012, 8th November, 2012, 31st December, 2012, and 12th February, 2013.

The details of composition of the Board of Directors, their attendance at each Board meeting held during the financial year 2012-13 and at the last Annual General Meeting, their directorships in other companies and positions in various committees are as follows:

Name	Category	No. of Board Meetings Held	No. of Board Meetings Attended	Whether attended last AGM	Number of Directorships and committee memberships and chairmanships in other companies		
					Directorships	Committee	
						Chairmanships	Memberships
Mr. S. P. Jain	C/P /NED	6	5	No	4	–	–
Mr. Praveen Toshniwal	I/NED	6	6	No	1	–	–
Mr. Sanjay Motta	I/NED	6	6	Yes	–	–	–
Mr. Mohit Agrawal	I/NED	6	6	No	1	–	–
Mr. Manish Ajmera	ED & CFO	6	6	Yes	4	–	–

Notes:

C – Chairman, P – Promoter, I – Independent Director, NED – Non Executive Director, ED – Executive Director, CFO – Chief Financial Officer.

In accordance with Clause 49 of the Listing Agreement, Membership/Chairmanships of only the Audit Committee and Shareholders / Investors' Grievance Committee of all Public Limited Companies are considered.

The directorship held by directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies, Section 25 Companies and Private Companies.

Board Procedure

The Company Secretary in consultation with Chairman of the Company and Executive Director drafts the Agenda for each Board meeting along with explanatory notes and distributes these in advance to the Directors. The Company has well defined process for placing vital and sufficient information before the Board. Any matter requiring discussion or decision or approval of the Board or Committee is communicated to the Company Secretary well in advance, so that the same could be included in the Agenda for the respective meetings. The Board meets at least once in a quarter and maximum time gap between two meetings did not exceed more than four months.

Committees of the Board

The Board of Directors of the Company has constituted the following Committees namely,

- (i) Audit Committee
- (ii) Investors' Grievance Committee
- (iii) Remuneration Committee.

The committees of the Board usually meet the same day in advance before the Board meeting or as and when required.



AUDIT COMMITTEE

The purpose of the Audit Committee is to insure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

The composition, powers, role and terms of reference of the Committee are in consonance with the requirements mandated under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The terms of reference of the Audit Committee broadly are as under:

1. Overview of the Company's financial reporting process.
2. Reviewing, with the management, the annual, half yearly and quarterly financial statements.
3. Reviewing performance of statutory and internal auditors and adequacy of the internal control systems.
4. Recommending appointment/re-appointment and removal of the statutory auditors and fixing of their fees.
5. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
6. Reviewing the adequacy of internal audit functions/systems.
7. Reviewing periodically financial performance of Subsidiary Companies.
8. Reviewing the related party transactions.
9. Discussion with internal auditors any significant findings and follow up there on.

For Audit Committee meetings, the Statutory Auditors are invited and are generally attended by the Senior Management Executives of the Company.

Composition, Quorum, Number of Meetings and Attendance:

The quorum of the Committee is two independent members present or one third of the total members of the Committee, whichever is higher. As on 31st March, 2013, the Audit Committee consists of three Non-Executive/Independent Directors and one Non-Executive Director.

During the financial year 2012-13, the members of Audit committee met 5 (Five) times on 17th May, 2012, 21st August, 2012, 22nd September, 2012, 8th November, 2012 and 12th February, 2013.

The Composition and attendance of the members of the Audit Committee during the financial year 2012-13 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mohit Agrawal	Chairman	5	5
Mr. Suresh P. Jain	Member	5	4
Mr. Praveen Toshniwal	Member	5	5
Mr. Sanjay Motta	Member	5	5

The Company Secretary acts as the Secretary to the Committee.

INVESTORS' GRIEVANCE COMMITTEE

Terms of reference

The Committee is specifically responsible for the redressal of shareholders'/ investors' grievances related to non-receipt of Annual Report, non-receipt of declared dividend etc.

The Committee also overviews the performance of the Registrar and Share Transfer Agents of the Company relating to investors services and recommend measures for improvements.

The quorum for the Committee is any two members present at the meeting.

During the financial year 2012-13, the Investors' Grievance Committee met 4 (Four) times on 17th May, 2012, 21st August, 2012, 8th November, 2012 and 12th February, 2013.

The Composition and attendance of the members of the Investors' Grievance Committee during the financial year 2012-13 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mohit Agrawal	Chairman	4	4
Mr. Suresh P. Jain	Member	4	4
Mr. Sanjay Motta	Member	4	4

The Company Secretary acts as the Secretary to the Committee.

Status of Investors' Complaints

Received during the year	Resolved during the year	Pending
0	0	0

Name and designation of the Compliance Officer

Ms. Dipti Vira is the Company Secretary and Compliance Officer of the Company.

REMUNERATION COMMITTEE

Remuneration Policy:

Brief description of terms of reference:

The Remuneration Committee has been constituted to recommend and review compensation plans of the Managing Director and Whole-Time Directors, based on their performance, defined assessment criteria and job responsibilities.

The quorum for the meeting shall be any two members present at the meeting.

The Composition of the Remuneration Committee is as follows:

Name	Designation
Mr. Mohit Agrawal	Chairman
Mr. Suresh P. Jain	Member
Mr. Sanjay Motta	Member
Mr. Praveen Toshniwal	Member

During the year under review, no meeting of the Remuneration Committee was held. However, all the members of Remuneration Committee by passing of resolution by circulation have approved re-appointment and payment of remuneration to Mr. Manish Ajmera as Executive Director and CFO of the Company for a period of 1 (One) year w.e.f 12th December, 2012.

The Company Secretary acts as the Secretary to the Committee.

Details of remuneration/sitting fees paid to the Directors and number of shares held by them in the Company during the financial year 2012-13 are as follows:

(₹ in Lacs except No. of shares)

Name of the Director	Designation	Remuneration	Sitting fees	No. of Shares held
Mr. Suresh P. Jain	P/NED	–	–	32,92,137
Mr. Mohit Agrawal	I/NED	–	–	–
Mr. Manish Ajmera	ED & CFO	18.91	–	–
Mr. Sanjay Motta	I/NED	–	–	–
Mr. Praveen Toshniwal	I/NED	–	–	1,100

Notes:

- (i) The above remuneration includes salaries, commission, contribution to Provident Fund, if any and taxable value of perquisites.
- (ii) The appointment is contractual as per the policy/rules of the Company.
- (iii) Terms and conditions are as per the Appointment Letter given to the appointee from time to time.

SUBSIDIARY COMPANIES

As on 31st March, 2013 the Company had following 5 subsidiaries:

1. Networth Commodities & Investments Limited
2. Networth SoftTech Limited
3. Networth Wealth Solutions Limited
4. Ravisha Financial Services Private Limited
5. Networth Insurance Broking Private Limited

Out of the above mentioned companies, Ravisha Financial Services Private Limited is a "Material non-listed Indian Subsidiary" as per the norms prescribed in Clause 49 of the Listing Agreement.



GENERAL BODY MEETINGS

Details of Annual General Meetings held and special resolutions passed during the last three years are as follows

Annual General Meeting	Date	Time	Venue	Special Resolution passed
19 th Annual General Meeting	31 st October, 2012	11.30 a.m.	Kilachand Conference Room, 2 nd Floor, Indian Merchant Chambers, LNM IMC Building, Churchgate, Mumbai - 400 020.	1) Approval of members for re-appointment of Mr. Manish Ajmera as Executive Director of the Company for a further period of One year w.e.f. 12 th December, 2011.
18 th Annual General Meeting	5 th November, 2011	11.30 a.m.	Kilachand Conference Room, 2 nd Floor, Indian Merchant Chambers, LNM IMC Building, Churchgate, Mumbai - 400 020.	1) Approval of members for amendments in Articles of Association of the Company. 2) Approval of members for appointment of M/s. Skyline Financial Services Private Limited as new Registrar & Share Transfer Agents of the Company w.e.f. 1 st December, 2011.
17 th Annual General Meeting	7 th August, 2010	11.30 a.m.	Kilachand Conference Room, 2 nd Floor, Indian Merchant Chambers, LNM IMC Building, Churchgate, Mumbai - 400 020.	No Special Resolution was passed.

Details of Extra Ordinary General Meeting and Court Convened Meeting held during the year and the resolutions passed at the meetings are as follows

Details of General Meeting	Date	Time	Venue	Resolutions passed
Court Convened Meeting of Equity Shareholders	9 th April, 2012	11.00 a.m.	Kilachand Conference Room, 2 nd Floor, Indian Merchant Chambers, LNM IMC Building, Churchgate, Mumbai - 400 020.	1) Approval of members for the Scheme of Amalgamation of Monarch Research and Brokerage Private Limited and Monarch Project and Finmarkets Limited (the Transferor Companies) with Network Stock Broking Limited (the Transferee Company) pursuant to Section 391 to 394 of the Companies Act, 1956.
Extra Ordinary General Meeting	9 th April, 2012	12.00 noon	Kilachand Conference Room, 2 nd Floor, Indian Merchant Chambers, LNM IMC Building, Churchgate, Mumbai- 400 020.	1) Approval of members for utilization of Securities Premium Account. 2) Approval of members for amendment to Article no. 3 of the Article of Association of the Company consequent upon reclassification of Authorised Share Capital. 3) Approval of members for issue of Redeemable Preference Shares of face value of ₹ 100/- each (Preference Shares) upto ₹ 10 Crores.

During the year under review, no resolution was passed by means of Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

DISCLOSURES

Related Party Transactions

Transactions with related parties are disclosed in the Notes to Financial Statements in the Annual Report. However, these transactions are not likely to have any conflicts with the Company's interest. The Audit Committee has reviewed these transactions as mandatorily required under Clause 49 of the Listing Agreement.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.

Disclosure of Risk Management

The Company has initiated the risk assessment and minimization procedure.

Compliance by the Company

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. No strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities. The Company has paid the listing fees for the year 2013-14 to the BSE Limited.

Whistle Blower Policy

The Company has no formal Whistle Blower policy, however it takes cognizance of complaint made and suggestions given by the employees and whenever necessary, suitable corrective steps are taken for it. No employee was denied to access the audit committee for the same purpose.

Code of Conduct

The Company has laid down a Code of Conduct for the Directors, Senior Management and Employees of the Company. The code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Managerial personnel have adhered to the same, signed by the Executive Director & CFO of the Company, forms part of this report, which along with the Auditors' Certificate on compliance of Clause 49 of the Listing Agreement by the Company is annexed to this report.

Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2013 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

CEO / CFO Certification

In terms of the requirements of Clause 49(V) of the Listing Agreement, the Executive Director & CFO has submitted necessary certificate to the Board at its meeting held on 17th June, 2013 stating the particulars specified under the said Clause.

Code for Prevention of Insider Trading Practices

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1992, the Company has framed a comprehensive Code of Conduct for prevention of Insider Trading for its designated employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company.

Means of Communications

The quarterly, half-yearly and annual results of the Company are forwarded to BSE Limited where the shares of the Company are listed and published in "Free Press Journal" (English) and Navshakti (Marathi).

The Audited financial results and the shareholding pattern as well as the press releases are displayed on the Company's website at www.networthdirect.com. The Company also regularly provides information to the Stock Exchange as per the requirement of Listing Agreement and updates the same on the Company's website periodically.

The Management Discussion and Analysis Report for the year ended 31st March, 2013 is part of Annual Report and annexed separately.

The Company has not made any presentations to institutional investors or to the analysts during the year under review.

GENERAL SHAREHOLDER INFORMATION

Registered and Corporate Office

The Registered and Corporate office of the Company is situated at Office No.1001/1002, 10th floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (East), Mumbai-400063.

Annual General Meeting

Date : 20th December, 2013

Day : Friday

Time : 11.30 A.M.

Venue : Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, LNM IMC Building, Churchgate, Mumbai – 400 020.

Financial Year

The financial year of the Company starts from 1st April of every year and ends on 31st March of the succeeding year.

Financial Calendar

Subject Matter	Tentative Dates of the Board Meeting
Financial results for the quarter ended 30 th June, 2013	On 14 th August, 2013
Financial results for quarter ended 30 th September, 2013	On 13 th November, 2013
Financial results for quarter ending 31 st December, 2013	By 14 th February, 2013
Financial results for quarter / year ending 31 st March, 2014	By 30 th May, 2014.

Date of Book Closure: Monday, the 16th day of December, 2013 to Friday, the 20th day of December, 2013 (both days inclusive)

Listing on Stock Exchange: The Equity Shares of the Company are listed on the BSE Limited.

Listing Fees: The Company has paid the Annual Listing Fees to BSE Limited for the year 2013-14.

Stock Code & ISIN: 511551, Demat ISIN Number in NSDL & CDSL - INE903D01011

BSE Limited 511551

Bloomberg NWTF IN

Reuters NETS.BO

Custodial Fee: The Company has paid custodial fees for the year 2013-14 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them as on 31st March, 2013.

Market Price Data: High & Low price of the Equity Shares of the Company at BSE Ltd. during each month for the year 2012-2013 as compared to BSE SENSEX points are as follows:

Month	Price on BSE(₹)*		BSE Sensex (Points)*	
	High	Low	High	Low
April 2012	30.60	20.60	17,664.10	17,010.16
May 2012	24.70	18.05	17,432.33	15,809.71
June 2012	23.70	17.60	17,448.48	15,748.98
July 2012	23.65	17.05	17,631.19	16,598.48
August 2012	20.55	15.40	17,972.54	17,026.97
September 2012	18.60	16.00	18,869.94	17,250.80
October 2012	25.30	17.25	19,137.29	18,393.42
November 2012	23.85	18.55	19,372.17	18,255.69
December 2012	21.40	18.15	19,612.18	19,149.03
January 2013	22.70	18.70	20,203.66	19,508.93
February 2013	21.50	15.20	19,966.69	18,793.97
March 2013	20.90	13.00	19,754.66	18,568.43

*Source: www.bseindia.com

Registrar & Share Transfer Agents:

Skyline Financial Services Pvt. Ltd.

Unit - Networth Stock Broking Ltd.

D- 153A, 1st Floor, Okhla Industrial Area,

Phase- I, New Delhi- 110020

Tel: 011-26812682/83

Email: admin@skylinerta.com

Share Transfer System:

The share transfer is processed by the Registrar and Share Transfer Agents, Skyline Financial Services Pvt. Ltd. and approved, if the documents are complete in all respects, within 15 days.

The Company obtains half yearly certificate of compliance in respect to the share transfer formalities from the Company Secretary in practice as required under Clause 47(c) of the Listing Agreement and files the copy of the certificate with the Exchange.

Shareholding Pattern as on 31st March, 2013:

Categories	No. of Shareholders	No. of Shares	% of shareholding
Promoters	3	3571287	31.80
Financial Institution/Banks	2	299145	2.66
FII's	1	9155	0.08
Non- Resident Indians	14	124459	1.11
Bodies Corporate	162	2279443	20.29
Indian Public	4734	4948111	44.06
Total	4916	11231600	100.00

Distribution Schedule as on 31st March, 2013:

Slab of Shares Holding		Number of Share Holders	Percentage to total number of holders	Total Number of Shares	Percentage to total Number of Shares
From	To				
1	500	3977	80.90	621383	5.53
501	1000	370	7.53	311967	2.78
1001	2000	221	4.49	350194	3.12
2001	3000	86	1.75	221980	1.98
3001	4000	48	0.98	172230	1.53
4001	5000	38	0.77	179925	1.60
5001	10000	77	1.57	576997	5.14
10001 and above		99	2.01	8796924	78.32
TOTAL		4916	100.00	11231600	100.00

Dematerialization of Equity Shares and Liquidity

As on 31st March, 2013, 97.58 % of the equity shares of the Company are held in dematerialized form and the rest in physical form.

Outstanding ADR / GDR/ Warrants/ Convertible Instruments and their impact on Equity:

Your Company has not issued any ADRs/GDRs/Warrants or any Convertible Instruments.

Address for Investor Correspondence

For any queries, please write to
Ms. Dipti Vira,
Company Secretary & Compliance Officer
Networth Stock Broking Limited
Office No.1001/1002, 10th Floor,
Atlanta Centre,
Opp. Udog Bhawan, Sonawala Road,
Goregaon (East), Mumbai-400063
Telephone: 30641600 Fax No: 28352405.
Email : grievance@networthdirect.com

Registrar & Share Transfer Agents

Skyline Financial Services Pvt. Ltd.
Unit - Networth Stock Broking Limited
D- 153A, 1st Floor,
Okhla Industrial Area, Phase- I,
New Delhi- 110020
Tel: 011-26812682/83
Email: admin@skylinerta.com

Website

The Company's website **www.networthdirect.com** contains comprehensive information about the Company, press releases and investor relations. It serves to inform the shareholders by providing key information like financial results, shareholding pattern, etc.

DECLARATION ON CODE OF CONDUCT

To,
The Members of
Networth Stock Broking Limited

I, Manish Ajmera, Executive Director & CFO of the Company, declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March, 2013.

For Networth Stock Broking Limited

Place: Mumbai
Date : 13th November, 2013

Manish Ajmera
Executive Director & CFO

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,
The Members of
Networth Stock Broking Limited

We have examined the records concerning compliance of conditions of Corporate Governance by NETWORTH STOCK BROKING LIMITED ("the Company") for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with BSE Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the records and documents maintained by the Company and the information and explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement with BSE Limited.

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

For Dileep & Prithvi
Chartered Accountants
(FRN: 122290W)

Place: Mumbai
Date : 13th November, 2013

Pankaj Jain
Partner
M. No. 139559

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To
The Members of
NETWORTH STOCK BROKING LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **NETWORTH STOCK BROKING LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for 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 Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act") in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and gives true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2003 (the "order") issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 we give in the Annexure a statement on the matters specified in the Paragraph 4 and 5 of the Order.
7. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956; and
 - (e) On the basis of written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Clause (g) of Sub-Section (1) of section 274 of the Companies Act, 1956.

For Dileep & Prithvi
Chartered Accountants
(FRN: 122290W)

Pankaj Jain
Partner
M. No. 139559

Place: Mumbai
Date : 17th June, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- 1) In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. We have been informed that, the fixed assets have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable with regard to the size of the Company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.
 - c. During the year the Company has disposed off certain part of its fixed assets. However, according to information and explanation given to us and records examined by us, in our opinion, such disposal has not affected the going concern status of the Company.
- 2) In respect of Inventories:
 - a. Inventory represents securities held as stock-in-trade in course of merchant banking activities and on account of error in execution of transaction. Verification and reconciliation of the same is conducted at reasonable interval by the management.
 - b. In our opinion verification and reconciliation of inventory followed by the management is reasonable and adequate in relation to size of the Company and the nature of business.
 - c. The Company is maintaining proper records of stock in error account and discrepancies were properly dealt with in the books of accounts.
- 3) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanation given to us and records furnished before us for verification:
 - a. The Company has granted interest free unsecured loans to (three) parties during the year. At the year-end, the maximum amount involved during the year was ₹ 3,76,07,214/- and the outstanding balance as on balance sheet date of such loans was ₹ 90,914/-.
 - b. Considering overall transactions, its object and implication, the rate of interest and other terms and conditions of such loans, in our opinion, *prima facie* not prejudicial to the interest of the Company.
 - c. The principal amounts of such loans are on demand and there is no repayment schedule. Interest, if any, is payable on demand.
 - d. In respect of the said loans, the same are repayable on demand and therefore the question of overdue amount does not arise. In respect of interest, there are no overdue amounts.
 - e. The Company has taken unsecured loans from parties (two) during the year. The maximum amount involved during the year was ₹ 10,50,000/- and the year-end balance of loans taken from such parties was ₹ 2,12,260/-.
 - f. Considering overall transactions, its object and implication, the rate of interest and other terms and conditions of such loans, in our opinion, *prima facie* not prejudicial to the interest of the Company.
 - g. The principal amount of loans taken by the Company from the party listed in the register maintained under Section 301 of the Companies Act, 1956, are repayable as and when requested by the lenders. Accordingly, there are no overdue amounts with respect to such loans due since there is no stipulation of repayments.
- 4) In our opinion, according to the information and explanation given to us, having regard to the explanation that the Company's service income depends on large volume of transactions executed daily on behalf of several clients, where there is a probability that certain transactions may be disputed by clients resulting in consequential cost to the Company, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to service income, purchase of inventory and purchase of fixed Assets and services. During the course our audit, neither we have come across nor we have been informed of any continuing failure to correct major weakness in the internal control.
- 5) In respect of contracts or arrangements entered in the Register in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief, and according to the information and explanation given to us and records furnished before us for verification:
 - a. The particulars of contract or arrangements that needed to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.
 - b. Where each of such transactions is in excess of ₹ Five Lacs in respect of any party, the transactions have been made at prices which are *prima-facie* reasonable having regard to prevailing market prices at the relevant time. However, in respect of transactions with the subsidiaries companies which are unique and specialized in nature involved and in absence of any comparable prices, we are unable to comment whether the transactions are made at prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposits from the public hence, Clause 4 (vi) of Companies (Auditor's Report) Order, 2003 is not applicable.
- 7) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management and internal audit department of the Company have been commensurate with the size of the Company and the nature of its business.
- 8) The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the services dealt with by the Company.

9) According to information and explanations given to us in respect of statutory dues:

- a. The undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty cess and other dues have generally been regularly deposited with the appropriate authorities except (i) the unpaid stamp duty from August 2010 for state other than Maharashtra, Andhra Pradesh and Rajasthan has been offered for taxation during the year due to practical difficulties of depositing the same. (ii) non-depositing of unpaid dividend to Investor Education and Protection Fund after 7 years of its declaration.
- b. There were no undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other dues were outstanding for a period of more than six months at year end except non-depositing of unpaid dividend to be transferred to Investor Education and Protection Fund after 7 years of its declaration for ₹ 84,349/-
- c. There are no disputes pending before the authorities in respect of sales tax, Income tax, custom duty, service tax and cess except stated below:

Particulars	Pending at	Demand	Remarks
Income Tax			
A.Y. 2005 - 06	Second Appellate Authority	₹ 34 Lacs	Demand is after adjusting refund of ₹ 1.78 Lacs
A.Y. 2006 - 07	First Appellate Authority	₹ 49 Lacs	Demand is after adjusting refund of ₹ 44.75 Lacs

- 10) The Company has accumulated losses at the end of financial year which are not less than fifty percent of its networth. The Company has not incurred any cash losses for the financial year covered by our audit. However, the Company had incurred cash losses in immediately preceding financial year.
- 11) According to information and explanations given to us and the records made available to us by the management, in our opinion, the Company has not defaulted in repayment of dues to banks or Financial Institutions.
- 12) According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, Company is not chit fund, nidhi, mutual fund, societies accordingly Clause 4(xiii) of Companies (Auditor's Report) Order, 2003 is not applicable.
- 14) According to the information and explanations given to us, during the year under consideration the Company has maintained proper records of transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments, as applicable, and timely entries have been made therein. The aforesaid shares, securities, debentures and other investments have been held by the Company in its own name, except to the extent of the exemption, if any, granted under Section 49 of the Companies Act, 1956.
- 15) The Company has granted Corporate Guarantee of ₹ 5 Crores to Bank/Financial Institution in respect of loan availed by its Subsidiary Company. As per the information and explanation provided to us and considering overall transactions, its object and implication, the terms and conditions of such guarantee, in our opinion, prima facie not prejudicial to the interest of the Company.
- 16) As per information and records furnished before us, the Company has not accepted any money in the nature of term loans. Accordingly Clause 4(xvi) of Companies (Auditor's Report) Order, 2003 is not applicable.
- 17) According to information and explanations given to us and overall examination of records furnished before us, funds raised on short term basis have not been prima-facie, used for long term investment.
- 18) During the period, the Company has not made allotment of shares on preferential basis. Accordingly Clause 4(xviii) of Companies (Auditor's Report) Order, 2003 is not applicable.
- 19) During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditor's Report) Order, 2003 is not applicable.
- 20) The Company has not raised any money by public issue during the year under audit. Accordingly Clause 4(xx) of Companies (Auditor's Report) Order, 2003 is not applicable
- 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 information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period nor have we been informed of such instances by the management.

For Dileep & Prithvi
Chartered Accountants
(FRN 122290W)

Pankaj Jain
Partner
M. No. 139559

Place: Mumbai
Date : 17th June, 2013

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
(Figures in ₹)			
A. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	1123,16,000	1123,16,000
(b) Reserves and Surplus	4	1746,31,363	1668,39,761
(2) Share application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Other Long term liabilities	5	151,53,732	165,25,644
(b) Long term provisions	6	12,40,251	13,67,577
(4) Current Liabilities			
(a) Trade payables	7	3506,56,017	4445,58,059
(b) Other current liabilities	8	15,10,656	95,52,028
(c) Short-term provisions	9	385,82,692	522,10,289
Total		<u>6940,90,711</u>	<u>8033,69,358</u>
B. ASSETS			
(1) Non-current assets			
(a) Fixed assets:	10		
(i) Tangible assets		462,94,133	480,63,644
(ii) Intangible assets		125,15,073	187,17,115
(b) Non-current investments	11	934,98,940	934,98,940
(c) Deferred tax assets (net)	12	427,02,800	378,19,001
(d) Long term loans and advances	13	1351,91,491	2604,89,267
(2) Current assets			
(a) Inventories	14	15,27,545	1,66,985
(b) Trade receivables	15	1556,08,721	1295,14,385
(c) Cash and Bank balances	16	639,11,336	640,69,494
(d) Short-term loans and advances	17	1428,40,672	1510,30,527
Total		<u>6940,90,711</u>	<u>8033,69,358</u>
Significant Accounting policies	2		

The accompanying Notes from 26 to 37 are an integral part of Financial Statements.

As per our report of even date attached.

For Dileep & Prithvi
Chartered Accountants
(FRN: 122290W)

For and on behalf of the Board of Directors

Pankaj Jain
Partner
M.No. 139559

S. P. Jain
Chairman

Manish Ajmera
Executive Director & CFO

Place: Mumbai
Date : 17th June, 2013

Dipti Vira
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	Year ended March 31, 2013	(Figures in ₹) Year ended March 31, 2012
1. Revenue from operations	18	1868,15,733	2006,93,689
2. Other Income	19	199,65,639	138,81,732
3. Total Revenues (1+2)		<u>2067,81,372</u>	<u>2145,75,421</u>
4. Expenses:			
(a) Employees benefit expense	20	767,29,176	1207,05,622
(b) Operating Expenses	21	658,23,846	763,70,451
(c) Administrative, Selling and Distribution Expenses	22	288,39,801	443,51,911
(d) Financial costs	23	154,77,161	100,81,721
(e) Depreciation and amortization expense	10	161,29,089	162,33,268
(f) Other expenses	24	5,76,277	44,50,201
Total Expenses		<u>2035,75,351</u>	<u>2721,93,173</u>
5. Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (3-4)		32,06,021	(576,17,752)
6. Exceptional and Extraordinary Items/ Prior Period Adjustments		(2,98,218)	(8,07,071)
7. Profit /(Loss) before tax (5+6)		<u>29,07,803</u>	<u>(584,24,823)</u>
8. Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		(48,83,799)	(299,23,100)
Total Tax Expense		<u>(48,83,799)</u>	<u>(299,23,100)</u>
9. Profit /(Loss) for the year (7-8)		<u>77,91,602</u>	<u>(285,01,723)</u>
10. Earning per equity share: (Face Value ₹ 10)	25		
(1) Basic		0.69	(2.54)
(2) Diluted		0.69	(2.54)
Significant Accounting policies	2		

The accompanying Notes from 26 to 37 are an integral part of Financial Statements.

As per our report of even date attached.

For Dileep & Prithvi
Chartered Accountants
(FRN: 122290W)

For and on behalf of the Board of Directors

Pankaj Jain
Partner
M.No. 139559

S. P. Jain
Chairman

Manish Ajmera
Executive Director & CFO

Place: Mumbai
Date : 17th June, 2013

Dipti Vira
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Year ended March 31, 2013	(Figures in ₹) Year ended March 31, 2012
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	32,06,021	(576,17,752)
Adjustments for		
Depreciation	161,29,089	162,33,268
Gratuity Provision	8,14,779	1,58,403
Provision for Diminution in Value of Investment	-	-
Finance Expenses	154,77,161	100,81,721
Loss on assets sold/discarded	3,41,917	42,57,124
Provision for Doubtful Debts	57,75,000	21,82,435
Dividend Received	(68,406)	(45,604)
Interest Received	(97,49,284)	(50,49,793)
<i>Operating profit before working capital changes</i>	319,26,277	(298,00,198)
Adjustments for		
Decrease (Increase) in Trade and other Receivables	1002,57,735	(1978,64,654)
Increase (Decrease) in Trade Payable and Provisions	(1165,13,116)	564,04,412
<i>Cash Generated from operations</i>	156,70,896	(1712,60,439)
Income Tax Paid For The Year	-	-
Prior Period Items	(2,98,218)	(8,07,071)
Net Cash From Operating Activities	153,72,678	(1720,67,510)
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(89,83,694)	(125,01,345)
Sale of Fixed Assets	4,84,243	8,97,225
Interest Received	97,49,284	50,49,793
Dividend Received	68,406	45,604
Net Cash from Investing Activities	13,18,239	(65,08,723)
C. Cash flow From Financing Activities		
Finance Expenses	(154,77,161)	(100,81,721)
Loan Funds	(13,71,912)	(38,89,530)
Net Cash used in Financing Activities	(168,49,073)	(139,71,251)
Net Increase in Cash & Cash Equivalents	(1,58,156)	(1925,47,484)
Opening Balance of Cash & Cash Equivalents	640,69,493	2566,16,977
Closing Balance of Cash & Cash Equivalents	639,11,337	640,69,493

Notes :

- 1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- 2 Previous year's figurers have been re-grouped/re-arranged wherever considered necessary.

Significant Accounting policies

The accompanying Notes from 26 to 37 are an integral part of Financial Statements.

As per our report of even date attached.

For Dileep & Prithvi
Chartered Accountants
(FRN: 122290W)

For and on behalf of the Board of Directors

Pankaj Jain
Partner
M.No. 139559

S. P. Jain
Chairman

Manish Ajmera
Executive Director & CFO

Place: Mumbai
Date : 17th June, 2013

Dipti Vira
Company Secretary

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. CORPORATE INFORMATION

Networth Stock Broking Limited ('the Company') has emerged as a leading provider of financial services and information provider primarily to Institutional and Retail clients in India for more than a decade. The Company is a member of the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE) in the Capital Market and Derivatives (Futures & Options) segment. The Company has also acquired membership of the currency derivatives segment with NSE, BSE, USE & MCX-SX. It is Depository Participant with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The Company also provides Merchant Banking facilities and Market Maker Services.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting and preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act 1956. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

b) Use of Estimates

The Presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Any difference between the actual results and estimate are recognized in the period in which results are known or materialised.

c) Revenue Recognition

Brokerage Income is recognized on the trade date. Subscription income for convenient brokerage plans is recognized on enrollment in the scheme. Account Facilitation charges are recognized on quarterly/yearly basis considering registration/activation of the client account. Referral Fees are recognized on accrual basis. Late Payment Charges are shown net of respective interest cost. In respect of Interest Income, it is recognized on a time proportion basis. Dividend income is recognized when the right to receive payment is established on Balance Sheet date.

d) Fixed Assets

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The Company has disposed some fixed assets but the same does not affect the going concern nature. There has been no revaluation of fixed assets during the year.

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation. All cost and expenses incidental to acquisition and installation attributable to the intangible assets are capitalized.

e) Depreciation and Amortisation

Depreciation on Fixed Assets has been provided on pro-rata basis on straight line method at the rates prescribed by Schedule XIV to the Companies Act, 1956 from the month following the month of purchase/acquisition of assets.

Considering the factors like utility of software, its nature, technological developments etc, if the management is of the opinion that the cost of acquisition of software and related expenses requires to be written off in the year of acquisition, then it is charged to revenue in the year of acquisition. Individual assets/group of similar assets costing upto ₹ 5,000 has been depreciated in full in the year of purchase.

f) Investments

Investments intended to be held for more than a year are classified as Non-current investments. Non-current investments are valued at cost less permanent diminution in value, if such a decline is other than temporary in the opinion of the management.

g) Inventories

Stock in trade mainly represents securities held as stock in course of merchant banking activities and remaining comprises of securities held as a result of error in execution of orders, is valued at cost or market value, whichever is lower.

h) Employee Benefits

Contribution to defined contribution scheme such as provident fund, is charged to the Statement of Profit and Loss of the period to which they relate.

Defined benefit plans like Gratuity are determined based on actuarial valuation carried out by an independent actuary at the Balance Sheet date using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit, and measures each unit separately to build up final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities at the Balance Sheet date.

Expenses on training, recruitment are charged to revenue in the year of incurrence.

Expenditure on leave travel concession to employees is recognised in the year of availment due to uncertainties of accrual. Leave encashment is provided on actual basis.

Short Term Employee Benefit payable within one year are provided on accrual basis at actual value.

i) Foreign Currency Transactions

Foreign Exchange transactions are recorded in the reporting currency i.e. rupee value, at the prevailing rate on the date of transaction.

Monetary items are restated at the exchange rate prevailing on the date of Balance Sheet. Non monetary items are stated at cost.

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statement, are recognised as income or as expenses in the year in which they arise.

j) Taxes on Income

Tax expenses comprises current and deferred tax. Provision for current tax is made after taking into consideration benefits admissible under the provisions of income-tax Act, 1961.

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred Tax is charged on the basis of the timing difference of Closing Balance method wherein provision for deferred tax made during the year equal to the difference between carrying amount of deferred tax as on Balance Sheet date using the tax rate and laws that are enacted or substantively enacted as on the Balance Sheet date calculated on balance of items which are capable of reversal in one or more subsequent periods and the carrying amount of deferred tax at the beginning of the year. Such deferred tax assets are recognized and carried forward only if there is reasonable/virtual certainty of its realisation.

The carrying amount of Deferred Tax Assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

k) Borrowing Cost

Borrowing costs directly attributable to development of qualifying asset are capitalized till the date qualifying asset is ready for put to use for its intended purpose as part of cost of that asset. All Other Borrowing costs are reduced from corresponding income or recognized as expense in the period in which they are incurred.

l) Leases

Lease arrangements, where the risk and rewards incidental to the ownership of asset substantially vests with the lessor are recognized as operating lease. Lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss. Assets leased out under operating leases are capitalized. Lease rental are charged to the Statement of Profit and Loss on accrual basis.

m) Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period and adjusted for the effects of all dilutive potential equity shares.

n) Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation because of past event that will probably result in the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of such obligation. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but disclosed in the notes. Contingent Assets neither recognised nor disclosed in the financial statements.

o) Segment Reporting

During the year under consideration, the Company has three operative segments namely, Capital Market (CM) segment, Depository Participant (DP) segment and Merchant Banking (MB) segment. As the DP and MB, does not fall within the parameters of "reportable segment" enunciated in Accounting Standard 17 "Segmental Reporting", the Company has only one reportable segment i.e. CM. In view of above and considering Accounting Standard Interpretation 20 "Disclosure of Segment Information", the Company has not furnished the Segment Reporting.

Note 3 Share Capital

a. The Authorised Issued Subscribed and fully paid up share capital are as follows:

Particulars	(Figures in ₹)	
	As at March 31, 2013	As at March 31, 2012
Authorised Share Capital*		
5,00,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- Each (P.Y. 2,50,000)	500,00,000	250,00,000
1,25,00,000 Equity Shares of ₹ 10/- Each (P.Y. 1,50,00,000)	1250,00,000	1500,00,000
	<u>1750,00,000</u>	<u>1750,00,000</u>
Issued Subscribed & Paid up Share Capital		
1,12,31,600 Equity Shares of ₹ 10/- Each (P.Y. 1,12,31,600)	1123,16,000	1123,16,000
	<u>1123,16,000</u>	<u>1123,16,000</u>
Total	<u>1123,16,000</u>	<u>1123,16,000</u>

* The Authorised Share Capital of the Company has been reclassified from 2,50,000 6% Cumulative Redeemable Preference shares of ₹ 100/- each and 1,50,00,000 Equity shares of ₹ 10/- each into 5,00,000 Redeemable Preference Shares of ₹ 100/- each and 1,25,00,000 Equity shares of ₹ 10/- each vide Ordinary Resolution passed at the Extra Ordinary General Meeting of the members of the Company held on April 9, 2012.

b. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	112,31,600	1123,16,000	112,31,600	1123,16,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	112,31,600	1123,16,000	112,31,600	1123,16,000

c. Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

During the year ended March 31, 2013 the Company had not declared any dividend (Previous Year Nil).

d. During the year no share was reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

e. Details of shareholders holding more than 5 percent shares in the Company:

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 10/- each fully paid				
Mr. Suresh Jain	3292137	29.31	3292137	29.31

f. The Company had not issued any bonus share for consideration other than cash and no share had bought back during the period of five years immediately preceding the reporting date.

Note 4 Reserves & Surplus

Particulars	(Figures in ₹)	
	As at March 31, 2013	As at March 31, 2012
a. Capital Reserves		
Opening Balance	151,63,560	151,63,560
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>151,63,560</u>	<u>151,63,560</u>
b. Securities Premium Account		
Opening Balance	3806,44,386	3806,44,386
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised	-	-
Closing Balance	<u>3806,44,386</u>	<u>3806,44,386</u>
c. Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	(2289,68,185)	(2004,66,462)
(+/-) Net Profit/(Loss) For the current year	77,91,602	(285,01,723)
Closing Balance	<u>(2211,76,583)</u>	<u>(2289,68,185)</u>
Total	<u>1746,31,363</u>	<u>1668,39,761</u>

Note 5 Other Long-Term Liabilities

Security Deposit from Business Associates	151,53,732	165,25,644
Total	<u>151,53,732</u>	<u>165,25,644</u>

Note 6 Long-Term Provisions

Provision for Gratuity	12,40,251	13,67,577
Total	<u>12,40,251</u>	<u>13,67,577</u>

Note 7 Trade Payables

Sundry Creditors - Clients	1866,03,253	1974,82,800
Sundry Creditors - Others	79,08,791	129,00,089
Banks & Financial Institutions	1561,43,973	2341,75,170
Total	<u>3506,56,017</u>	<u>4445,58,059</u>

*In absence of information regarding vendors covered under Micro, Small & Medium Enterprises Development Act, 2006. disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act has not been given.

Note 8 Other Current Liabilities

(a) Current maturities of long-term debt	-	-
(a) Unpaid dividends*	1,44,203	1,44,203
(b) Statutory Remittances	12,58,481	91,59,684
(c) Other Current Liabilities	1,07,972	2,48,141
Total	<u>15,10,656</u>	<u>95,52,028</u>

* Unpaid Dividends includes a sum of ₹ 84,349/- which has remained unpaid in excess of seven years on account of lack of complete details of the concerned share holders. The Company is in process of transferring this amount to Investor Education & Protection Fund.

Note 9 Short Term Provisions

(Figures in ₹)

Particulars	As at	
	March 31, 2013	March 31, 2012
(a) Provision for employee benefits		
Salary & Reimbursements	42,34,685	58,77,296
(b) Others		
Provision for Income Tax	125,94,000	247,40,000
Provision for Fringe Benefit Tax	154,67,407	179,11,629
Provision for Wealth Tax	51,744	1,06,911
Provision for Gratuity	34,49,976	25,07,871
Provision for Other Expenses	27,84,880	10,66,582
Total	385,82,692	522,10,289

Note-10 Fixed Assets

(Figures in ₹)

Particulars	Gross Block				Accumulated Depreciation & Amortization				Net Block	
	April 01, 2012	Additions	Deletions/ Adjustments	March 31, 2013	April 01, 2012	Additions	Deletions	March 31, 2013	March 31, 2013	March 31, 2012
1 Tangible asset										
a. Improvement to Lease Assets	245,92,046	-	-	245,92,046	88,87,862	26,93,848	-	115,81,710	130,10,336	157,04,184
b. Air Conditioners	70,71,496	-	1,36,150	69,35,346	18,60,595	3,33,475	36,223	21,57,847	47,77,499	52,10,901
c. Computer	322,40,813	63,44,499	23,17,651	362,67,661	239,01,628	32,68,507	19,39,220	252,30,915	110,36,746	83,39,185
d. Furniture & Fixtures	196,78,219	48,066	3,32,653	193,93,632	62,77,195	12,39,407	1,07,639	74,08,963	119,84,669	134,01,024
e. Vehicles	20,61,993	-	-	20,61,993	11,98,078	1,92,712	-	13,90,790	6,71,203	8,63,915
f. Office Equipment	53,72,652	6,53,390	1,53,902	58,72,140	8,28,217	2,61,359	31,116	10,58,460	48,13,680	45,44,435
Total - 1	910,17,219	70,45,955	29,40,356	951,22,818	429,53,575	79,89,308	21,14,198	488,28,685	462,94,133	480,63,644
2 Intangible Assets										
a. Computer Software	427,93,393	19,37,739	-	447,31,132	240,76,278	81,39,781	-	322,16,059	125,15,073	187,17,115
Total - 2	427,93,393	19,37,739	-	447,31,132	240,76,278	81,39,781	-	322,16,059	125,15,073	187,17,115
Grand Total (1 + 2)	1338,10,612	89,83,694	29,40,356	1398,53,950	670,29,853	161,29,089	21,14,198	810,44,744	588,09,206	667,80,759
Previous Year	1291,38,573	125,01,345	78,29,306	1338,10,612	534,70,786	162,33,268	26,74,957	670,29,853	667,80,759	

Note 11 Non-current Investments

Particulars	Face Value	As at March 31, 2013		As at March 31, 2012	
		Numbers	Amount ₹	Numbers	Amount ₹
Non Trade Investments					
Unquoted					
(a) In Life Insurance policies	-	-	4,52,623	-	4,52,623
(b) In National Saving Certificates	-	-	4,000	-	4,000
(d) In Equity Shares - Fully Paid up					
Bombay Stock Exchange Limited	₹ 1	11,401	877	11,401	877
(e) In Equity Shares of Subsidiaries- Fully Paid up					
Network Commodities & investment Ltd.	₹ 10	14,00,100	200,01,000	14,00,100	200,01,000
Network SoftTech Ltd.	₹ 10	50,000	5,00,000	50,000	5,00,000
Network Wealth Solutions Ltd	₹ 10	10,00,000	100,00,000	10,00,000	100,00,000
Ravisha Financial Services Pvt. Ltd	₹ 10	49,99,900	629,22,205	49,99,900	629,22,205
Network Insurance Broking Pvt Ltd	₹ 10	10,000	1,00,000	10,000	1,00,000
(f) In Equity Shares of Associate Concern- Fully Paid up					
Network Financial Services Ltd.	₹ 10	9,49,400	94,94,000	9,49,400	94,94,000
Quoted					
(a) Investments in Equity Shares - Fully Paid up					
Sadbhav Engineering Ltd.	₹ 1	1,310	24,235	1,310	24,235
Market Value ₹ 156414 (PY ₹ 202788)					
Total			1034,98,940		1034,98,940
Less : Provision for diminution in the value of Investments			100,00,000		100,00,000
Total			934,98,940		934,98,940

Note : During the year the Company has not invested in any subsidiaries

Note 12 Deferred Tax Assets

Particulars	(Figures in ₹)	
	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liabilities		
Difference of Net Block of Assets	(49,94,927)	(79,42,924)
Deferred Tax Assets		
Provision for doubtful debts	207,91,855	190,07,380
Provision for Diminution in Value of Investment	20,40,000	20,40,000
Provision for Gratuity	14,49,280	11,97,513
Unabsorbed Depreciation	234,16,591	235,17,031
Deferred Tax Assets (Net)*	427,02,800	378,19,001

* The Company has recognized deferred tax assets as at March 31, 2013 of ₹ 4,27,02,800/- Since the management is reasonably certain of its profitable operations in future. As per Accounting Standard 22 'Accounting for Taxes on Income' the timing differences mainly relates to following items as shown herein above that results in a net deferred tax asset.

Note 13 Long-term Loans and advances**Unsecured considered good unless stated otherwise :**

a. Security Deposits		
Deposit with Stock Exchange & Financial Institutions	317,89,212	1174,08,937
b. Balance with Revenue Authorities		
Advance Income Tax & Service Tax	385,86,401	756,31,865
Advance Fringe Benefit Tax	175,49,927	199,99,868
Advance Wealth Tax	51,744	1,06,911
c. Other loans and advances		
Deposits for Office Premises	441,17,143	451,95,299
Deposits for Telephone, VSAT, Electricity etc.	21,30,397	21,46,387
d. Deferred Revenue Expenditure	9,66,667	-
Total	1351,91,491	2604,89,267

Note 14 Inventories**Stock in Trade***

Equity Shares	13,68,700	-
Vandha A/c. & Trading Error A/c.	1,58,845	1,66,985
Total	15,27,545	1,66,985

* The Company by virtue of acting as a merchant banker and market maker has acquired Equity shares of Looks Health Services Limited and same is valued at lower of cost or market price. Balance in Vandha & Trading Error A/c. are basically shares held as a result of Trading Error or Vandha Accounts of clients. In absence of information, disclosure relating quantity has not been given.

Note 15 Trade Receivables

Particulars	(Figures in ₹)	
	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
- considered good	423,39,612	245,94,344
- considered doubtful**	672,87,557	615,12,557
Sub-total	1096,27,169	861,06,901
Others		
- considered good	1132,69,109	1049,20,041
Provision for doubtful receivables	(672,87,557)	(615,12,557)
Total	1556,08,721	1295,14,385

None of the director either severally or jointly are interested in Trade Receivables stated above.

Note 16 Cash and Bank balances

a. Cash on hand	6,93,273	2,22,032
b. Balances with Banks:		
In Earmarked Balances	1,43,339	1,43,339
In Current Account	275,56,345	496,87,992
Balances held as margin money deposits against guarantees*	275,00,000	136,40,000
Fixed Deposits held as Security Deposit	80,18,379	3,76,131
	632,18,063	638,47,462
Total	639,11,336	640,69,494

*The Company has pledged fixed deposits to the extent of ₹ 2,75,00,000 (Previous Year ₹ 1,36,40,000) with banks for bank guarantees and with Stock Exchanges.

Note 17 Short-term loans and advances

Advances to Staff	9,88,645	8,58,319
Advances to Suppliers	23,24,990	36,37,883
Prepaid Expenses	21,25,252	67,92,403
Advance to Subsidiaries	3,52,725	26,72,501
Other Advances	1370,49,060	1370,69,421
Total	1428,40,672	1510,30,527

Note 18 Revenue from Operations

Particulars	(Figures in ₹)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Income From Operation:		
Brokerage & Related income	1838,78,744	2001,93,689
Merchant Banking & Market Maker income	29,36,989	5,00,000
Total	1868,15,733	2006,93,689

Note 19 Other Income

Particulars	(Figures in ₹)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Dividend Income	68,406	45,604
Interest Received On Fixed Deposits	97,49,284	50,49,793
Interest on Income Tax Refund	42,40,239	-
Insurance Claim Received	-	30,000
Profit on Trading of Shares	16,25,331	-
Bad Debts Recovered	-	1,529
Sundry Balance W/off (Net)	42,82,379	87,54,806
Total	199,65,639	138,81,732

Note 20 Employees Benefit expense

Salaries & Wages	684,75,188	1115,29,174
Contribution to Provident & other funds*	42,93,346	51,62,956
Staff Welfare	20,69,982	21,22,832
Directors' Remuneration	18,90,660	18,90,660
Total	767,29,176	1207,05,622

*The Company is recognising and accruing the employee benefit as per Accounting Standard (AS) – 15 on “Employee Benefits” the disclosures of which are as under:

Actuarial Assumptions

Mortality Table	LIC (94-96) Ult.	LIC (94-96) Ult.
Discount rate	8%	8%
Rate of return (expected) on plan assets	11.2%	11.2%
Rate of increase in compensation previous year	4%	10%
Rate of increase in compensation current year	4%	4%

Changes in present value of obligations

Obligation at the beginning of the year	38,75,448	51,77,842
Interest Cost	2,84,943	4,02,387
Current Service Cost	11,26,896	10,75,392
Past Service Cost	-	-
Benefit paid	(6,27,326)	(2,96,017)
Actuarial (gain) / Loss on obligations	30,266	(24,84,156)
Liability at the end of the year	46,90,227	38,75,448

Changes in fair value of plan assets

Fair value of plan Assets at the beginning of the year	13,67,577	1565869 *
Fair value of plan Assets at the end of the year	12,40,251	13,67,577

Current Service cost	11,26,896	10,75,392
Interest Cost	2,84,943	4,02,387
Past Service Cost	-	1,283
Expected return on plan assets	(1,46,038)	(1,58,800)
Net Actuarial (Gain) or Loss	1,76,304	(24,23,081)
Expense Recognised in P & L	14,42,105	(11,02,819)

Particulars	(Figures in ₹)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Opening net liability	25,07,871	36,10,690
Adjustment to opening balance	-	-
Expense as above	14,42,105	(11,02,819)
Contribution paid	(5,00,000)	-
Closing net Liability	34,49,976	25,07,871

* One of the plan assets at the beginning of the previous year was not included in the earlier year's calculation. The above informations are certified by the actuary and same has been taken into consideration for both the years.

Note 21 Operating Expenses

Demat Charges	20,14,343	38,81,128
Sub Brokerage & Commission Expenses	465,35,299	451,49,294
Stamping Charges	2,70,968	12,50,502
Exchange Expenses	2,89,027	12,46,467
Connectivity Charges	84,09,428	103,89,023
Insurance Charges (Exchanges)	5,63,946	7,79,349
Membership Fees & Subscription	9,69,554	9,20,519
Software Charges	67,71,280	127,54,170
Total	658,23,846	763,70,451

Note 22 Administrative, Selling and Distribution Expenses

Particulars	(Figures in ₹)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Administration expenses		
Legal & Professional Charges	42,41,439	90,02,836
Telephone Charges	35,69,974	42,01,565
Electricity Charges	68,52,879	76,38,167
Rent, Rates & Taxes	269,38,805	490,65,276
Municipal Taxes	43,114	7,07,131
Repairs & Maintenance	29,75,776	59,82,890
Insurance Charges	10,700	73,389
Postage & Courier Charges	38,23,346	61,71,717
Conveyance & Travelling	18,07,029	28,47,122
Printing, Stationery & Xerox Charges	19,04,830	15,79,709
Directors' Sitting Fees	-	4,50,000
Provident Fund Administrative Charges	2,21,317	3,10,577
Profession Tax	31,135	33,845
Provision for Doubtful Debts	57,75,000	21,82,435
Share Registrar's Charges	51,795	41,796
Office expenses	21,66,500	47,58,813
Staff Recruitment Expenses	26,240	1,49,235
Auditors' Remuneration	5,50,000	5,50,000
Recovery of Expenses *	(334,42,317)	(517,91,044)
Selling & Distribution Expenses		
Advertisement	1,69,026	51,910
Business Promotion Expenses	11,23,213	3,44,541
Total	288,39,801	443,51,911

* This represents recovery of expenses in agreed proportion towards utilization of common facilities from subsidiaries and associate concerns.

Note 23 Financial Costs

Particulars	(Figures in ₹)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Interest on Bank OD & Financial Institution	145,96,934	72,37,669
Interest on Car Loan	-	26,723
Bank Guarantee Charges	5,08,126	16,13,495
Bank & Financial Institution charges	2,38,658	11,55,841
Other Interest	1,33,444	47,993
Total	154,77,161	100,81,721

Note 24 Other Expenses

Bad debts written off	2,19,360	1,81,323
Loss on Assets sold / discarded	3,41,917	42,57,124
Charity & Donations	15,000	11,754
Total	5,76,277	44,50,201

Note 25 Earning Per Share

Basic EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	77,91,602	(285,01,723)
Weighted Average Number of Shares Subscribed (Basic)	B	112,31,600	112,31,600
Basic EPS	A/B	0.69	(2.54)
Diluted EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	77,91,602	(285,01,723)
Weighted Average Number of Shares Subscribed (Basic)		112,31,600	112,31,600
Add : Potential Equity Shares on account of conversion of Employee Stock Options		-	-
Weighted Average Number of Shares Outstanding	B	112,31,600	112,31,600
Diluted EPS	A/B	0.69	(2.54)

Note 26 Additional Information pursuant to the provisions of paragraphs 4, 4B, 4C and 4D of part II of Schedule VI to the Companies Act, 1956, to the extent applicable.**• Foreign Currency Transaction**

Foreign Currency Outflow	-	-
Foreign Currency Inflow	62,945	-

• Directors Remuneration

Director Remuneration	18,90,660	18,90,660
Director Sitting fees	-	4,50,000

Computation of net profit u/s 349 of the Companies Act, 1956 is not furnished as no commission is payable / paid to the Directors. The reimbursement or payment of expenses as per the contractual appointment, are not in the nature of personal expenses, as the same are accepted/incurred under contractual obligation as per the business practices. Also the expenditure incurred in the normal course of business, in accordance with the generally accepted business practices, on employees and directors, is not considered as expenditure of personal nature. There for the same has not been considered for the above purpose.

• Payment to Auditors

For Statutory Audit	4,25,000	4,25,000
For Tax Audit	1,25,000	1,25,000
Total	5,50,000	5,50,000

Note 27 Scheme of Amalgamation

The Board of Directors of the Company at its meeting held on 9th April, 2011 approved the Scheme of Amalgamation under Section 391 to 394 of the Companies Act 1956 of Monarch Research and Brokerage Private Limited (MRBPL) and Monarch Project and Finmarkets Limited (MPFL) with the Company with effect from appointed date i.e 1st April 2010.

The said Scheme is further approved by the Equity Shareholders of the Company at the Court Conveyed Meeting held on 9th April 2012 as per the direction of Hon'ble high Court of the Judicature at Bombay vide its order dated 2nd March 2012.

NSBL and MPFL has filed petition on 30th April, 2012 with the Hon'ble High Court of Bombay at Mumbai and MRBPL on 27th June, 2012 with the Hon'ble High Court of Gujarat at Ahmedabad and the same have been admitted by the respective High Courts.

The Company has also received no objection /Prior Approval from BSE, NSE, NSDL, CDSL, USE and SEBI- Portfolio Management Services (PMS) for the said scheme of amalgamation. The approval from SEBI, MCX-SX and SEBI- Merchant Banker's divisions are awaited as on 17th June, 2013.

Note 28 The Company provides for the use by its subsidiaries certain facilities like use of premises infrastructure and other facilities / services and the same are termed as 'Shared Services'. The cost of such Shared Services are recovered from subsidiaries either on actual basis or on reasonable management estimates which are constantly refined in the light of additional knowledge gained relevant to such estimation.

Note 29 Contingent Liability & Commitments (to the extent not provided for)

The Management of the Company does not anticipate any contingent liability having material effect on the position stated in the Balance Sheet at the year end except as stated below:

- Income tax assessment of the Company has been completed upto assessment year 2008-09. The disputed demand outstanding upto the said assessment year is ₹ 83 Lacs (previous year ₹ 83 Lacs). Based on the decisions of the Appellate authorities and the interpretation of the other relevant provisions, the Company expects that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.
- There are certain claims aggregating to ₹ 489 Lacs (previous year ₹ 489 Lacs) against the Company for which the Company has taken suitable legal recourse. Hence the same has not been recognized as a debt and no provision has been made thereof.
- The Company has given guarantee of ₹ 5 Crores (previous year ₹ 5 Crores) for loan taken by its Subsidiary Company Ravisha Financial Services Private Limited from financial institutions.

Note 30 Related Party Disclosure**(a) List of Related Parties and Relationship**

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Networth Commodities & Investments Ltd.	Subsidiary Company
Networth SoftTech Ltd.	100% Subsidiary Company
Networth Wealth Solutions Ltd.	100% Subsidiary Company
Ravisha Financial Services Private Ltd.	100% Subsidiary Company
Networth Insurance Broking Private Ltd.	100% Subsidiary Company
Networth Financial Services Ltd.	Associate Concern
Key Management Personnel	
Manish Ajmera	Chief Financial Officer/ Executive Director
Others	
S. P. Jain	Chairman & Dominant Promoter Group
Kanta Jain	Dominant Promoter Group
S.P. Jain – HUF Sun Capital Advisory Services Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence



(b) Transaction with the Related Parties

(Figures in ₹)

Particulars		Subsidiaries	Associate Company	Key Management Personnel	Others	Total
Revenue Received	CY	364,41,829	-	-	-	364,41,829
	PY	560,61,498	-	-	-	560,61,498
Rendering of Services	CY	127,20,000	-	18,90,660	-	146,10,660
	PY	255,60,000	-	18,90,660	-	274,50,660
Sale of Assets	CY	-	-	-	-	-
	PY	-	-	-	-	-
Loan Given	CY	900,00,000	-	-	-	900,00,000
	PY	1488,50,000	-	-	-	1488,50,000
Outstanding Balance included in current liabilities	CY	-	170,23,762	-	-	170,23,762
	PY	-	170,54,110	-	-	170,54,110
Outstanding Balance included in current assets	CY	3,52,725	-	-	-	3,52,725
	PY	26,85,862	17,514	-	-	27,03,376

Note: Where, CY= Current year's figures & PY= Previous year's figures

Note 31 Disclosure as per Clause 32 of the listing Agreement with the Stock Exchanges

(Figures in ₹)

Particulars	Relationship		Amount outstanding as at March 31, 2013	Maximum balance outstanding during the year
Networth Commodities & Investments Ltd.	Subsidiary	CY	-	114,00,000
		PY	-	-
Networth SoftTech Ltd.	Subsidiary	CY	90,914	27,07,214
		PY	24,57,214	24,57,214
Networth Wealth Solutions Ltd	Subsidiary	CY	-	-
		PY	-	1141,50,000
Ravisha Financial Services Pvt. Ltd	Subsidiary	CY	-	235,00,000
		PY	-	650,99,300
Networth Insurance Broking Pvt Ltd	Subsidiary	CY	-	-
		PY	-	-
Networth Financial Services Ltd	Associate	CY	-	-
		PY	-	-

Note: Where, CY= Current year's figures & PY= Previous year's figures

Note 32 The Company has taken suitable legal action for recovering deposits of ₹ 40 Lacs (previous year ₹ 40 Lacs) for premises at Bangalore. The Management expects favorable order for the same, hence no provisions have been made thereof.

Note 33 The Company has taken suitable legal action for recovering debts of ₹ 239 Lacs (previous year ₹ 239 Lacs) for fraudulent transaction done by client in the year 2008-09. SEBI has passed the interim order withholding the payout which is kept with Bombay Stock Exchange till completion of investigation. The Management expects favorable order for the same, hence no provisions have been made thereof.

Note 34 In the opinion of the Directors of the Company, the Current Assets and loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which items are stated in the Balance Sheet.

Note 35 There are no Capital commitments which is outstanding as on Balance Sheet date (previous year Nil).

Note 36 Events Occurring After the Balance Sheet Date

To the best of knowledge of the management, there are no events occurring after the Balance Sheet date that provide additional information materially affecting the determination of the amounts relating to the conditions existing at the Balance Sheet Date that requires adjustment to the Assets or Liabilities of the Company.

Note 37 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached.

For Dileep & Prithvi
Chartered Accountants
(FRN: 122290W)

Pankaj Jain
Partner
M.No. 139559

Place: Mumbai
Date : 17th June, 2013

For and on behalf of the Board of Directors

S. P. Jain
Chairman

Manish Ajmera
Executive Director & CFO

Dipti Vira
Company Secretary

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors,
NETWORTH STOCK BROKING LIMITED

Report on the Financial Statements

1. We have audited the accompanying Consolidated Financial Statements ("CFS") of **NETWORTH STOCK BROKING LIMITED** ("the Company"), its subsidiaries and associates (collectively referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March 2013, the Consolidated Statement of Profit and Loss and the Consolidated 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

2. The Company's Management is responsible for 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 in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and presentation 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 the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associates referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements together with the notes thereon, subject to **Note no. 33 and 34 of "Notes to consolidated Accounts"**, gives true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
 - (b) In the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
 - (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

6. We did not audit the financial statements and other financial information of subsidiaries and associates whose financial statements reflect total assets (net) of ₹ 63,52,72,373/- as at March 31, 2013, total revenues of ₹ 4,48,13,109/- and net cash outflows of ₹ 1,57,28,393/- for the year then ended, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on the report of the other auditors.

For Dileep & Prithvi
Chartered Accountants
(FRN 122290W)

Pankaj Jain
Partner

M. No. 139559

Place: Mumbai
Date : 27th September, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at March 31, 2013	(Figures in ₹) As at March 31, 2012
A. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	112,316,000	112,316,000
(b) Reserves and Surplus	4	42,836,374	76,702,691
(2) Share application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Other Long term liabilities	5	15,153,732	17,142,093
(b) Deferred Tax Liabilities		71,264	80,919
(c) Long term provisions	6	1,240,251	1,367,577
(d) Minority Interest		14,532	13,360
(4) Current Liabilities			
(a) Short-term borrowings	7	136,500,000	136,500,000
(b) Trade payables	8	977,767,818	1,103,131,207
(c) Other current liabilities	9	2,046,184	16,234,679
(d) Short-term provisions	10	41,416,928	61,030,804
	Total	<u>1,329,363,083</u>	<u>1,524,519,330</u>
B. ASSETS			
(1) Non-current assets			
(a) Fixed assets:	11		
(i) Tangible assets		76,959,368	83,775,994
(ii) Intangible assets		13,080,277	19,213,421
(b) Non-current investments	12	9,343,006	9,157,163
(c) Deferred tax assets (net)		45,296,729	39,571,768
(d) Long term loans and advances	13	136,038,375	261,356,182
(2) Current assets			
(a) Inventories	14	1,527,545	166,985
(b) Trade receivables	15	766,949,011	787,013,614
(c) Cash and Bank balances	16	69,634,550	85,521,099
(d) Short-term loans and advances	17	210,298,644	238,302,489
(e) Other Current Assets	18	235,578	440,615
	Total	<u>1,329,363,083</u>	<u>1,524,519,330</u>

Significant Accounting policies

2

The accompanying Notes from 27 to 39 are an integral part of Financial Statements.

As per our report of even date attached.

For Dileep & Prithvi

Chartered Accountants

(FRN: 122290W)

For and on behalf of the Board of Directors

Pankaj Jain

Partner

M.No. 139559

S. P. Jain

Chairman

Manish Ajmera

Executive Director & CFO

Place: Mumbai

Date : 27th September, 2013

Dipti Vira

Company Secretary



CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	Year ended March 31, 2013	(Figures in ₹) Year ended March 31, 2012
1. Revenue from operations	19	231,628,842	326,237,440
2. Other Income	20	25,821,319	19,302,920
3. Total Revenues (1+2)		<u>257,450,161</u>	<u>345,540,360</u>
4. Expenses:			
(a) Employee benefit expense	21	84,544,727	134,469,428
(b) Operating Expenses	22	83,392,032	134,128,033
(c) Administrative, Selling and Distribution Expenses	23	90,260,896	91,411,321
(d) Financial costs	24	15,798,394	10,488,391
(e) Depreciation and amortization expense	11	21,178,506	21,309,442
(f) Other expenses	25	576,277	4,967,057
(g) Provision For Standard Assets		1,486,089	-
Total Expenses		<u>297,236,921</u>	<u>396,773,671</u>
5. Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (3-4)		(39,786,760)	(51,233,311)
6. Exceptional and Extraordinary Items/ Prior Period Adjustments		(68,434)	1,625,309
7. Profit /(Loss) before tax (5+6)		<u>(39,855,194)</u>	<u>(49,608,002)</u>
8. Tax expense:			
(a) Current tax		233,000	95,000
(b) Deferred tax		(5,734,617)	(28,924,242)
(c) Short Provision for tax		(348,535)	13,181
Total Tax Expense		<u>(5,850,152)</u>	<u>(28,816,061)</u>
Add : Share of Profit/(Loss) from Associate		137,553	(7,040)
Add / (Less) : Minority Interest		1,172	(1,851)
9. Profit /(Loss) for the year (8-9)		(33,866,317)	(20,800,832)
10. Earning per equity share: (Face Value ₹ 10)	26		
(1) Basic		(3.02)	(1.85)
(2) Diluted		(3.02)	(1.85)

Significant Accounting policies

2

The accompanying Notes from 27 to 39 are an integral part of Financial Statements.

As per our report of even date attached.

For Dileep & Prithvi
Chartered Accountants
(FRN: 122290W)

For and on behalf of the Board of Directors

Pankaj Jain
Partner
M.No. 139559

S. P. Jain
Chairman

Manish Ajmera
Executive Director & CFO

Place: Mumbai
Date : 27th September, 2013

Dipti Vira
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Year ended March 31, 2013	(Figures in ₹) Year ended March 31, 2012
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	(39,786,760)	(51,233,311)
Adjustments for		
Depreciation	21,178,506	21,309,442
Gratuity Provision	814,779	36,713
Preliminary Expenses Written off	186,816	-
Finance Expenses	15,477,161	10,488,391
Loss on assets sold/discarded	341,917	4,773,980
Provision for Doubtful Debts	40,669,217	2,182,435
Provision for Standard Assets	1,486,089	-
Dividend Received	(68,406)	(45,604)
Interest Received	(14,452,247)	(5,708,945)
<i>Operating profit before working capital changes</i>	25,847,072	(18,196,899)
Adjustments for		
Decrease (Increase) in Trade and other Receivables	138,028,808	(119,896,122)
Increase (Decrease) in Trade Payable and Provisions	(164,441,878)	11,689,810
<i>Cash Generated from operations</i>	(565,998)	(126,403,211)
Income Tax Paid For The Year	-	-
Prior Period Items	(68,434)	1,625,309
Net Cash From Operating Activities	(634,432)	(124,777,902)
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(9,054,894)	(12,808,506)
Sale of Fixed Assets	484,243	931,575
Interest Received	14,452,247	5,708,945
Dividend Received	68,406	45,604
Net Cash from Investing Activities	5,950,002	(6,122,382)
C. Cash flow From Financing Activities		
Share Issue expenses		
Finance Expenses	(15,477,161)	(10,488,391)
Loan Funds	(5,724,957)	(59,843,598)
Net Cash used in Financing Activities	(21,202,118)	(70,331,989)
<i>Net Increase in Cash & Cash Equivalents</i>	(15,886,548)	(201,232,273)
<i>Opening Balance of Cash & Cash Equivalents</i>	85,476,781	286,709,054
<i>Closing Balance of Cash & Cash Equivalents</i>	69,634,550	85,476,781

Notes :

- 1 The Cash Flow Statement has been prepared using the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- 2 Previous year's figures have been classified as per last year audited annual results. Peer to Peer comparison cannot be made due to revision in presentation as per Revised Schedule VI.

Significant Accounting policies

The accompanying Notes from 27 to 39 are an integral part of Financial Statements.

As per our report of even date attached.

For Dileep & Prithvi

Chartered Accountants
(FRN: 122290W)

For and on behalf of the Board of Directors

Pankaj Jain

Partner
M.No. 139559

Place: Mumbai

Date : 27th September, 2013

S. P. Jain

Chairman

Dipti Vira

Company Secretary

Manish Ajmera

Executive Director & CFO



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. CORPORATE INFORMATION

Networth Stock Broking Limited ('the Company') has emerged as a leading provider of financial services and information provider primarily to Institutional and Retail clients in India for more than a decade. The Company is a member of the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) in the Capital Market and Derivatives (Futures & Options) segment. It is Depository Participant with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The Company also provides Merchant Banking and Market Maker Services.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation:

i) Basis of Preparation:

The individual Balance Sheet as at March 31, 2013 and Statement of Profit and Loss for the year ended March 31, 2013 of Networth Stock Broking Limited ('the Company') and its subsidiaries ('companies and / or subsidiaries'), collectively referred to as 'Group', have been consolidated as per principles of consolidation enunciated in Accounting Standard (AS) 21- 'Consolidated Financial Statements' as prescribed by Companies (Accounting standard) Rules, 2006. The financial statements have been prepared under historical cost convention on an accrual basis.

ii) Principles of Consolidation:

The financial statements of the group companies of Networth Stock Broking Limited have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The effects of all inter-group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the financial statements are generally consistent with those followed in the previous year by the Company.

iii) The list of subsidiaries that have been consolidated are given in note no. 30

b) Use of Estimates

The Presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Any difference between the actual results and estimate are recognised in the period in which results are known or materialised.

c) Revenue Recognition

Brokerage Income is recognised on the trade date. Subscription income for convenient brokerage plans is recognised on enrollment in the scheme. Account Facilitation charges are recognised on quarterly/yearly basis considering registration/activation of the client account. Referral Fees are recognised on accrual basis. Late Payment Charges are shown net of respective interest cost. In respect of Interest Income, it is recognised on a time proportion basis. Dividend income is recognised when the right to receive payment is established on Balance Sheet date. In respect of NBFC, Software, Commodity broking and Insurance Broking business, revenue from its operations are recognised on accrual basis.

d) Fixed Assets

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The Company has disposed some fixed assets but the same does not affect the going concern nature. There has been no revaluation of fixed assets during the year. Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation. All cost and expenses incidental to acquisition and installation attributable to the intangible assets are capitalized.

e) Depreciation and Amortisation

Depreciation on Fixed Assets has been provided on pro-rata basis on straight line method at the rates prescribed by Schedule XIV to the Companies Act, 1956 from the month following the month of purchase/acquisition of assets.

Considering the factors like utility of software, its nature, technological developments etc, if the management is of the opinion that the cost of acquisition of software and related expenses requires to be written off in the year of acquisition, then it is charged to revenue in the year of acquisition. Individual assets/group of similar assets costing upto ₹ 5,000 has been depreciated in full in the year of purchase.

f) Investments

Investments intended to be held for more than a year are classified as Non-current investments. Non-current investments are valued at cost less permanent diminution in value, if such a decline is other than temporary in the opinion of the management.

g) Inventories

Stock in trade mainly represents securities held as stock in course of market making activities and remaining comprises of securities held as a result of error in execution of orders, is valued at cost or market value, whichever is lower.

h) Employee Benefits

Contribution to defined contribution scheme such as provident fund, is charged to the Statement of Profit and Loss of the period to which they relate.



Defined benefit plans like Gratuity are determined based on actuarial valuation carried out by an independent actuary at the Balance Sheet date using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit, and measures each unit separately to build up final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities at the Balance Sheet date. In case of NBFC and Software business, the annual contribution to the Group Gratuity Assurance Scheme has been determined and charged to the profit and loss account on the basis of actuarial valuation by the approved actuary of such companies. In case of commodity broking and wealth solutions business the Company has not made any provision in respect of the retirement benefits of the employees as per the guidelines provided by the payment of Gratuity Act, 1972. In respect of such businesses, the Company has a policy of recognizing the expenses as and when the same are actually incurred.

Expenses on training, recruitment are charged to revenue in the year of incurrence.

Expenditure on leave travel concession to employees is recognised in the year of availment due to uncertainties of accrual. Leave encashment is provided on actual basis.

Short Term Employee Benefit payable within one year are provided on accrual basis at actual value.

i) Foreign Currency Transactions

Foreign Exchange transactions are recorded in the reporting currency i.e. rupee value, at the prevailing rate on the date of transaction.

Monetary items are restated at the exchange rate prevailing on the date of balance sheet. Non monetary items are stated at cost.

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statement, are recognised as income or as expenses in the year in which they arise.

j) Taxes on Income

Tax expenses comprises current and deferred tax. Provision for current tax is made after taking into consideration benefits admissible under the provisions of income-tax Act, 1961.

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred Tax is charged on the basis of the timing difference of Closing Balance method wherein provision for deferred tax made during the year equal to the difference between carrying amount of deferred tax as on Balance Sheet date using the tax rate and laws that are enacted or substantively enacted as on the balance sheet date calculated on balance of items which are capable of reversal in one or more subsequent periods and the carrying amount of deferred tax at the beginning of the year. Such deferred tax assets are recognized and carried forward only if there is reasonable/virtual certainty of its realisation.

The carrying amount of Deferred Tax Assets are reviewed at each Balance Sheet date and written down or written up, to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

k) Borrowing Cost

Borrowing costs directly attributable to development of qualifying asset are capitalized till the date qualifying asset is ready for put to use for its intended purpose as part of cost of that asset. All Other Borrowing costs are reduced from corresponding income or recognized as expense in the period in which they are incurred.

l) Leases

Lease arrangements, where the risk and rewards incidental to the ownership of asset substantially vests with the lessor are recognized as operating lease. Lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss. Assets leased out under operating leases are capitalized. Lease rental are charged to the Statement of Profit and Loss on accrual basis.

m) Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period and adjusted for the effects of all dilutive potential equity shares.

n) Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation because of past event that will probably result in the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of such obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but disclosed in the notes. Contingent Assets neither recognised nor disclosed in the financial statements.

o) Segment Reporting

During the year under consideration, the Company has three operative segments namely, Capital Market (CM) segment, Depository Participant (DP) segment and Merchant Banking (MB) segment. As the DP and MB, does not fall within the parameters of "reportable segment" enunciated in Accounting Standard 17 "Segmental Reporting", the Company has only one reportable segment i.e. CM. In view of above and considering Accounting Standard Interpretation 20 "Disclosure of Segment Information", the Company has not furnished the Segmental Reporting.

Note 3 Share Capital

a. The Authorised Issued Subscribed and fully paid up share capital are as follows:

(Figures in ₹)

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Authorised Share Capital*		
5,00,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- Each (P.Y. 2,50,000)	50,000,000	25,000,000
1,25,00,000 Equity Shares of ₹ 10/- Each (P.Y. 1,50,00,000)	125,000,000	150,000,000
	<u>175,000,000</u>	<u>175,000,000</u>
Issued Subscribed & Paid up Share Capital		
1,12,31,600 Equity Shares of ₹10/- Each (P.Y. 1,12,31,600)	112,316,000	112,316,000
	<u>112,316,000</u>	<u>112,316,000</u>
Total	<u>112,316,000</u>	<u>112,316,000</u>

* The Authorised Share Capital of the Company has been reclassified from 2,50,000 6% Cumulative Redeemable Preference shares of ₹ 100/- each and 1,50,00,000 Equity shares of ₹ 10/- each into 5,00,000 Redeemable Preference Shares of ₹ 100/- each and 1,25,00,000 Equity shares of ₹ 10/- each vide Ordinary Resolution passed at the Extra Ordinary General Meeting of the members of the Company held on April 9, 2012.

b. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	112,31,600	112,316,000	112,31,600	112,316,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	112,31,600	112,316,000	112,31,600	112,316,000

c. Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

During the year ended March 31, 2013 the Company had not declared any dividend (Previous Year Nil).

d. During the year no share was reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

e. Details of shareholders holding more than 5 percent shares in the Company:

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 10/- each fully paid				
Mr. Suresh Jain	3292137	29.31	3292137	29.31

f. The Company had not issued any bonus share for consideration other than cash and no share had bought back during the period of five years immediately preceding the reporting date.

Note 4 Reserves & Surplus

Particulars	(Figures in ₹)	
	As at March 31, 2013	As at March 31, 2012
a. Capital Reserves		
Opening Balance	15,163,560	15,163,560
(+) Current Year Transfer		
(-) Written Back in Current Year	-	-
Closing Balance	<u>15,163,560</u>	<u>15,163,560</u>
b. Securities Premium Account		
Opening Balance	380,644,386	380,644,386
Add : Securities premium credited on Share issue		
Less : Premium Utilised		
Closing Balance	<u>380,644,386</u>	<u>380,644,386</u>
c. Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	(319,105,255)	(298,259,833)
(-) Net Loss For the current year	(33,866,317)	(20,845,422)
Closing Balance	<u>(352,971,572)</u>	<u>(319,105,255)</u>
Total	<u>42,836,374</u>	<u>76,702,691</u>

Note 5 Other Long-Term Liabilities

Security Deposit from Business Associates	15,153,732	17,142,093
Total	<u>15,153,732</u>	<u>17,142,093</u>

Note 6 Long-Term Provisions

Provision for Gratuity	1,240,251	1,367,577
Total	<u>1,240,251</u>	<u>1,367,577</u>

Note 7 Short-Term Provisions**Unsecured, considered good unless stated otherwise**

Loans & Advances	136,500,000	136,500,000
Total	<u>136,500,000</u>	<u>136,500,000</u>

Note 8 Trade Payables

Sundry Creditors - Clients	809,528,896	845,997,567
Sundry Creditors - Others	12,094,949	22,958,470
Banks & Financial Institutions	156,143,973	234,175,170
Total	<u>977,767,818</u>	<u>1,103,131,207</u>

*In absence of information regarding vendors covered under Micro, Small & Medium Enterprises Development Act, 2006. disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act has not been given.

Note 9 Other Current Liabilities

(a) Current maturities of long-term debt		-
Car Loan from Bank		
(Secured By Mortgage of Car)	144,203	144,203
(b) Unpaid dividends	1,794,009	15,842,335
(c) Statutory Remittances	107,972	248,141
(d) Other Current Liabilities		
Total	<u>2,046,184</u>	<u>16,234,679</u>

(Figures in ₹)

Note 10 Short Term Provisions

Particulars	As at	
	March 31, 2013	March 31, 2012
(a) Provision for employee benefits		
Salary & Reimbursements	4,567,306	6,426,826
(b) Others		
Provision for Income Tax	13,592,000	33,003,168
Provision for Fringe Benefit Tax	15,483,096	17,954,355
Provision for Wealth Tax	51,744	106,911
Provision for Gratuity	3,423,694	2,468,962
Provision for Standard Assets	1,486,089	-
Provision for Other Expenses	2,812,999	1,070,582
Total	41,416,928	61,030,804

Note-11 Fixed Assets

(Figures in ₹)

Particulars	Gross Block				Accumulated Depreciation & Amortization				Net Block	
	April 01, 2012	Additions	Deletions/ Adjustments	March 31, 2013	April 01, 2012	Additions	Deletions	March 31, 2013	March 31, 2013	March 31, 2012
1 Tangible asset										
a. Improvement to Lease Assets	24,592,046	-	-	24,592,046	8,887,862	2,693,848	-	11,581,710	13,010,336	15,704,184
b. Air Conditioners	7,387,549	-	136,150	7,251,399	1,883,552	874,448	36,223	2,721,777	4,529,622	5,503,997
c. Computer	58,128,064	6,344,499	2,317,651	62,154,912	30,846,455	7,435,051	1,939,220	36,342,286	25,812,626	27,281,609
d. Furniture & Fixtures	20,475,112	48,066	332,653	20,190,525	6,421,846	1,296,150	107,639	7,610,357	12,580,168	14,053,266
e. Vehicles	2,061,993	-	-	2,061,993	1,198,078	192,712	-	1,390,790	671,203	863,915
f. Office Equipment	22,499,623	653,390	153,902	22,999,111	2,130,600	544,214	31,116	2,643,698	20,355,413	20,369,023
Total - 1	135,144,387	7,045,955	2,940,356	139,249,986	51,368,393	13,036,423	2,114,198	62,290,618	76,959,368	83,775,994
2 Intangible Assets										
a. Computer Software	42,793,393	2,008,939	-	44,802,332	24,076,278	8,142,083	-	32,218,361	12,583,971	18,717,115
b. Goodwill on Consolidation	496,306	-	-	496,306	-	-	-	-	496,306	496,306
Total - 2	43,289,699	2,008,939	-	45,298,638	24,076,278	8,142,083	-	32,218,361	13,080,277	19,213,421
Grand Total (1 + 2)	178,434,086	9,054,894	2,940,356	184,548,624	75,444,671	21,178,506	2,114,198	94,508,979	90,039,645	102,989,415
Previous Year	174,048,724	12,808,506	8,423,144	178,434,088	56,848,061	21,309,442	2,713,588	75,444,673	102,989,415	

Note 12 Non-current Investments

Particulars	Face Value	As at March 31, 2013		As at March 31, 2012	
		Numbers	Amount ₹	Numbers	Amount ₹
Non Trade Investments					
Unquoted					
(a) In Life Insurance policies	-	-	452,623	-	452,623
(b) In National Saving Certificates	-	-	52,289	-	52,289
(c) In Equity Shares - Fully Paid up Bombay Stock Exchange Limited	₹ 1	11,401	877	11,401	877
(d) In Equity Shares of Associate Concern- Fully Paid up Networth Financial Services Ltd.	₹ 10	949,400	8,812,982*	949,400	86,27,139*
Quoted					
(a) Investments in Equity Shares - Fully Paid up Sadbhav Engineering Ltd. Market Value ₹ 156,414 (PY ₹ 202,788)	₹ 1	1,310	24,235	1,310	24,235
Total			9,343,006		9,157,163

Note:

- During the year the Company has not invested in any subsidiaries.
- * This represents goodwill as per equity method.

Note 13 Long-term Loans and advances

(Figures in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured considered good unless stated otherwise :		
a. Security Deposits		
Gratuity fund	846,884	863,765
Deposit with Stock Exchange & Financial Institutions	31,789,212	117,408,937
b. Balance with Revenue Authorities		
Advance Income Tax	38,586,401	75,631,865
Advance Fringe Benefit Tax	17,549,927	20,003,018
Advance Wealth Tax	51,744	106,911
c. Other loans and advances		
Deposits for Office Premises	44,117,143	45,195,299
Deposits for Telephone, VSAT, Electricity etc.	2,130,397	2,146,387
d. Deferred Revenue Expenditure		
	966,667	-
Total	136,038,375	261,356,182

Note 14 Inventories

Stock in Trade*		
Equity Shares	1,368,700	-
Vandha A/c. & Trading Error A/c.	158,845	166,985
Total	1,527,545	166,985

* The Company by virtue of acting as a merchant banker and market maker has acquired Equity shares of Looks Health Services Limited and same is valued at lower of cost or market price. Balance in Vandha & Trading Error A/c. are basically shares held as a result of Trading Error or Vandha Accounts of clients. In absence of information, disclosure relating quantity has not been given.

Note 15 Trade Receivables**Unsecured, considered good unless stated otherwise**

Outstanding for a period exceeding six months from the date they are due for payment

-considered good	59,062,881	679,343,901
-considered doubtful	106,986,231	61,512,557
Sub-total	166,049,112	740,856,458
Others		5,461,580
-considered good	707,886,130	107,013,070
Provision for doubtful receivables	(106,986,231)	(66,317,494)
Total	766,949,011	787,013,614

* None of the director either severally or jointly are included in Trade Receivable stated above.

Note 16 Cash and Bank balances

Particulars	(Figures in ₹)	
	As at March 31, 2013	As at March 31, 2012
a. Cash on hand	749,864	253,467
b. Balances with Banks:		
In Earmarked Balances	143,339	143,339
In Current Account	31,550,631	68,423,910
Balances held as margin money deposits against guarantees*	27,500,000	13,640,000
Fixed Deposits held as Security Deposit	9,690,716	3,060,383
	<u>68,884,686</u>	<u>85,267,632</u>
Total	<u>69,634,550</u>	<u>85,521,099</u>

* the Company has pledged fixed deposits to the extent of ₹ 27,500,000 (Previous Year ₹ 13,640,000) with banks for bank guarantees and with Stock Exchanges.

Note 17 Short-term loans and advances

Advances to Staff	1,351,645	937,142
Advances to Suppliers	2,372,884	3,937,958
Deposit with Stock Exchanges	43,827,240	52,579,082
Other Advances	142,733,264	141,536,972
Security Deposit - Others	554,951	600,421
Prepaid Expenses	2,980,715	8,540,802
Advance Income Tax (Including MAT Credit Entitlement)	13,794,974	27,743,010
Service tax credit receivable	2,682,971	2,427,102
Total	<u>210,298,644</u>	<u>238,302,489</u>

Note 18 Other Current Assets

Miscellaneous Expenditures to the extent not W/off	235,578	440,615
Total	<u>235,578</u>	<u>440,615</u>

Note 19 Revenue from Operations

(Figures in ₹)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Income From Operation:		
Brokerage Income - Securities Market	211,877,292	235,567,103
Income from Advisory trail	2,453,393	19,623
Income for Advisory Services	338,099	2,157,287
Income From Insurance Commision	132,819	4,138,772
Income From Loan Commission	66,000	27,034
Interest Earned	13,574,250	83,827,621
Loan Processing Charges	250,000	-
Merchant Banking Fees	2,936,989	500,000
Total	231,628,842	326,237,440

Note 20 Other Income

Dividend Income	68,406	45,604
Interest Received On Fixed Deposits	9,883,305	5,708,945
Interest Received On Others/	4,568,942	1,254,386
Interest On IT Refund	4,779,646	82,718
Insurance Claim Received	-	30,000
Profit On Trading Of Shares	1,625,331	-
Bad Debts Recovered	-	1,529
Excess Provision For IT Written Back	(19,079)	21,101
Miscellaneous expenses/ Sundry Balance W/off/ Other	4,914,768	12,158,637
Total	25,821,319	19,302,920

Note 21 Employee Benefit expense

Salaries & Wages	75,912,555	124,484,490
Contribution to Provident & other funds	4,554,622	5,754,120
Staff Welfare	2,133,804	2,291,848
Gratuity	53,086	48,310
Directors' Remuneration	1,890,660	1,890,660
Total	84,544,727	134,469,428

Note 22 Operating Expenses

Demat Charges	2,114,759	4,084,004
Sub Brokerage & Commission Expenses	59,255,710	51,463,956
Stamping Charges	421,819	1,251,332
Exchange Expenses	289,027	1,571,030
Connectivity Charges	8,674,638	10,722,943
Insurance Charges - NSE, BSE & CDSL	713,733	962,079
Membership Fees & Subscription	1,336,705	1,482,641
Software Charges	2,590,556	2,927,721
Interest on Loan Availed	7,979,160	59,620,085
Error Account	15,925	42,243
Total	83,392,032	134,128,033

Note 23 Administrative, Selling and Distribution Expenses

Particulars	(Figures in ₹)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Administration expenses		
Legal & Professional Charges	4,471,693	16,693,690
Telephone Charges	3,575,185	4,493,920
Electricity Charges	6,852,879	7,683,792
Rent, Rates & Taxes	18,418,805	36,055,795
Municipal Taxes	43,114	707,131
Repairs & Maintenance	3,080,346	6,405,353
Insurance Charges	10,700	73,389
Postage & Courier Charges	4,089,964	6,713,616
Conveyance & Travelling	1,966,720	3,148,890
Printing, Stationery & Xerox Charges	2,003,604	1,813,918
Directors' Sitting Fees	-	450,000
Provident Fund Administrative Charges	239,999	352,363
Profession Tax	37,930	71,285
Provision for Doubtful Debts	40,669,217	149,824
Share Registrar's Charges/ ROC/DP/STAMP	70,795	56,856
Office expenses	2,169,584	4,852,909
Staff Recruitment Expenses	26,240	157,140
Auditors' Remuneration	684,000	669,361
Advertisement	169,026	55,150
Miscellaneous Expenses	551,022	49,511
Commission paid	-	73,027
Bad Debts	740	10,000
Business Promotion Expenses	1,129,333	674,400
Total	90,260,896	91,411,321

Note 24 Financial Costs

Interest on Bank OD	148,30,580	7,555,669
Interest on Car Loan	-	26,723
Bank Guarantee Charges	5,08,126	1,613,495
Bank charges	3,26,244	1,244,511
Other Interest	1,33,444	47,993
Total	157,98,394	10,488,391

Note 25 Other Expenses

Bad debts written off	2,19,360	181,323
Loss on Assets sold / discarded	3,41,917	4,773,980
Charity & Donations	15,000	11,754
Total	5,76,277	4,967,057

Note 26 Earning Per Share

		(Figures in ₹)	
		Year Ended March 31, 2013	Year Ended March 31, 2012
Basic EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	(33,866,317)	(20,800,832)
Weighted Average Number of Shares Subscribed (Basic)	B	11,231,600	11,231,600
Basic EPS	A/B	(3.02)	(1.85)
		-	-
Diluted EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	(33,866,317)	(20,800,832)
Weighted Average Number of Shares Subscribed (Basic)		11,231,600	11,231,600
Add : Potential Equity Shares on account of conversion of Employee Stock Options		-	-
Weighted Average Number of Shares Outstanding	B	11,231,600	11,231,600
Diluted EPS	A/B	(3.02)	(1.85)

Note 27 Scheme of Amalgamation

The Board of Directors of the Company at its meeting held on 9th April, 2011 approved the Scheme of Amalgamation under Section 391 to 394 of the Companies Act 1956 of Monarch Research and Brokerage Private Limited (MRBPL) and Monarch Project and Finmarkets Limited (MPFL) with the Company with effect from appointed date i.e 1st April 2010.

The said Scheme is further approved by the Equity shareholders of the Company at the court conveyed meeting held on 9th April 2012 as per the direction of Hon'ble high Court of the Judicature at Bombay vide its order dated 2nd March 2012.

NSBL and MPFL has filed petition on 30th April, 2012 with the Hon'ble High Court of Bombay at Mumbai and MRBPL on 27th June, 2012 with the Hon'ble High Court of Gujarat at Ahmedabad and the same has been admitted by the respective High Courts.

The Company has also received no objection /Prior Approval from BSE, NSE, NSDL, CDSL, USE and SEBI- Portfolio Management Services (PMS) for the said Scheme of Amalgamation. The approval from SEBI, MCX-SX and SEBI- Merchant Banker's divisions are awaited as on 17th June, 2013.

Note 28 Contingent Liability & Commitments (to the extent not provided for)

The management of the Company does not anticipate any contingent liability having material effect on the position stated in the Balance Sheet at the year end except as stated below:

- Income tax assessment of the Company has been completed upto assessment year 2008-09. The disputed demand outstanding upto the said assessment year is ₹ 83 Lacs (previous year ₹ 83 Lacs). Based on the decisions of the Appellate authorities and the interpretation of the other relevant provisions, the Company expects that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.
- There are certain claims aggregating to ₹ 489 Lacs (previous year ₹ 125 Lacs) against the Company for which the Company has taken suitable legal recourse. Hence the same has not been recognized as a debt and no provision has been made thereof.
- The Company has given guarantee of ₹ 5 Crores (previous year Nil) for loan taken by its Subsidiary Company Ravisha Financial Services Private Limited from financial institutions.

Note 29 Segment Reporting

The Company has identified three reportable segments viz. Broking, Wealth Management and Non banking financial business. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Others".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Others".

Segment wise Revenue / Result / Assets / Liabilities

Sr. No	Particulars	(Figures in ₹)	
		March 31, 2013	March 31, 2012
1	Segment Revenue (net sale / income from each segment)		
a	Broking	2,24,264,531	2,52,516,994
b	Wealth management	3,126,662	17,243,624
c	Non banking financial business	22,346,587	97,655,437
d	Others	4,200,000	10,066,915
	Total	2,53,937,780	3,77,482,970
	Less: Inter segment revenue	49,161,829	33,360,000
	Net sales / income from operations	2,04,775,951	3,44,122,970
2	Segment Results Profit/ (Loss) before tax and interest		
a	Broking	(2,889,276)	(21,833,560)
b	Wealth management	8,21,133	(1,840,982)
c	Non banking financial business	(40,941,574)	2,479,533
d	Others	68,514	344,607
	Total	(42,941,203)	(20,850,402)
	Less: i. Interest Expenses	(15,796,496)	(7,264,392)
	Add: i. Un-allocable income	-	-
	ii. Interest Income	19,231,894	5,708,945
	Total Profit Before Tax	(39,505,805)	(22,405,849)
3	Segment Assets		
a	Broking	7,55,257,207	8,85,367,024
b	Wealth management	26,499,916	30,217,146
c	Non banking financial business	6,29,286,701	6,93,618,955
d	Others	2,702,450	4,859,402
4	Segment Liabilities		
a	Broking	4,28,569,764	5,80,139,791
b	Wealth management	1,28,145,914	1,32,512,220
c	Non banking financial business	6,00,848,698	6,25,351,586
d	Others	795,883	3,133,118

Note 30 Related Party Disclosure
(a) List of Related Parties and Relationship

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Networth Commodities & Investments Ltd.	Subsidiary Company
Networth SoftTech Ltd.	100% Subsidiary Company
Networth Wealth Solutions Ltd.	100% Subsidiary Company
Ravisha Financial Services Private Ltd.	100% Subsidiary Company
Networth Insurance Broking Private Ltd.	100% Subsidiary Company
Networth Financial Services Ltd.	Associate Concern
Key Management Personnel	
Manish Ajmera	Chief Financial Officer/ Executive Director
Others	
S. P. Jain	Chairman & Dominant Promoter Group
Kanta Jain	Dominant Promoter Group
S.P. Jain – HUF	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence

(b) Transaction with the Related Parties

(figures in ₹)

Particulars		Associate Company	Key Management Personnel	Others
Revenue Received	CY	-	-	-
	PY	-	-	-
Rendering of Services	CY	-	18,90,660	-
	PY	-	18,90,660	-
Sale of Assets	CY	-	-	-
	PY	-	-	-
Loan Given	CY	-	-	-
	PY	-	-	-
Outstanding Balance included in current liabilities	CY	170,54,110	-	-
	PY	170,54,110	-	-
Outstanding Balance included in current assets	CY	21,514	-	-
	PY	17,514	-	-
Note: Where, CY= Current year's figures & PY= Previous year's figures				

Note 31 The Company has taken suitable legal action for recovering deposits of ₹ 40 Lacs (previous year ₹ 40 Lacs) for premises at Bangalore. The management expects favorable order for the same, hence no provisions have been made thereof.

Note 32 The Company has taken suitable legal action for recovering debts of ₹ 239 Lacs (previous year ₹ 239 Lacs) for fraudulent transaction done by client in the year 2008-09. SEBI has passed the interim order withholding the payout which is kept with Bombay Stock Exchange till completion of investigation. The management expects favorable order for the same, hence no provisions have been made thereof.

Note 33 In respect of its NBFC Business, the Company has made provision for doubtful debts for outstanding receivables for which value of security has eroded and litigation for recovery for recovery is pending. Amount involved ₹ 34,048,607/-

Note 34 In respect of its NBFC Business, the Company has not booked interest income receivable from one party amounting to ₹ 54,520,324/- upon full and final settlement with the party and the full debt, excluding interest has been realized upto the date of this report. The Company has not made provision for interest expenses payable to one party amounting to ₹ 49,360,815/- upon full and final settlement with the said party and Company has made the payment excluding interest to the said party as per the terms of settlement executed prior to the date of this report. No provisioning norms, as applicable has been applied, in view of accounts settled subsequent to the balance sheet date.

Note 35 In the opinion of the Directors of the Company, the Current Assets and loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which items are stated in the Balance Sheet.

Note 36 There are no Capital commitments which is outstanding as on Balance Sheet date (previous year Nil).

Note 37 Events Occurring After the Balance Sheet Date

To the best of knowledge of the management, there are no events occurring after the Balance Sheet date that provide additional information materially affecting the determination of the amounts relating to the conditions existing at the Balance Sheet Date that requires adjustment to the Assets or Liabilities of the Company.

Note 38 Balances of trade receivables, trade payables, loans and advances and deposits are subject to confirmations.

Note 39 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure. The consolidated financial statements contain line-by-line consolidation of data. However, certain figures pertaining to subsidiaries have been regrouped/ reclassified wherever necessary to make it comparable with the parent Company.

The accompanying Notes from 27 to 39 are an integral part of Financial Statements.

As per our report of even date attached.

For Dileep & Prithvi
Chartered Accountants
(FRN: 122290W)

For and on behalf of the Board of Directors

Pankaj Jain
Partner
M.No. 139559

S. P. Jain
Chairman

Manish Ajmera
Executive Director & CFO

Place: Mumbai
Date : 27th September, 2013

Dipti Vira
Company Secretary



NETWORTH STOCK BROKING LIMITED

Regd. Office: Office No. 1001/1002, 10th Floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (East), Mumbai – 400063.

ATTENDANCE SLIP
20TH ANNUAL GENERAL MEETING - 20TH DECEMBER, 2013

Folio No.: _____

No. of Shares held _____

DP ID/Client ID: _____

I hereby record my presence at the 20th Annual General Meeting of the Company being held on Friday, the 20th day of December, 2013 at 11.30 A.M. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, LNM IMC Building, Churchgate, Mumbai – 400 020.

Name of the Member/Proxy _____

Signature of the Member/Proxy _____

- Note:
1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
 2. Members/Proxies are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card, etc, having photo identity) while attending the meeting.



NETWORTH STOCK BROKING LIMITED

Regd. Office: Office No. 1001/1002, 10th Floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (East), Mumbai – 400063.

PROXY FORM
20TH ANNUAL GENERAL MEETING - 20TH DECEMBER, 2013

Folio No.: _____

No. of Shares held _____

DP ID/Client ID: _____

I/We _____ of _____
in the district of _____ being a Member/Members of **NETWORTH STOCK BROKING LIMITED**, hereby
appoint _____ of _____ in the district of _____ or failing him/her
_____ of _____ in the district of _____ as my/our proxy to vote for
me/us and my/our behalf at the 20th Annual General Meeting to be held on Friday, the 20th day of December, 2013 at 11.30 A.M. at Kilachand
Conference Room, 2nd Floor, Indian Merchant Chambers, LNM IMC Building, Churchgate, Mumbai – 400 020 or at any adjournment thereof.

Affix
Revenue
Stamp of
Re. 0.15

Place : _____

Date : _____

Signed by the Member

Note: The proxy 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 time for holding the aforesaid meeting. The proxy need not be a member of the Company.

Every plant needs nurturing...
...so does your net-worth



Every profession needs research...
...so does your net-worth

Networth Stock Broking Ltd.

Office no. 1001/1002, 10th Floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (East), Mumbai-400 063, India.

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