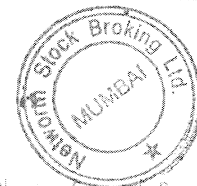
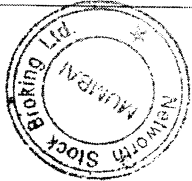
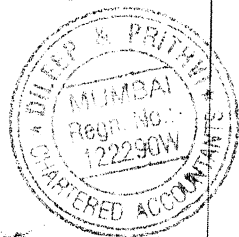



FORM A

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 statement for the year ended	31 st March, 2014
3.	Type of Audit observation	<p>Matter of Emphasis that:</p> <p>1. The stamp duty amount of the current financial year is unpaid 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.</p> <p>2. In reference to note no. 31, the financial statements of the Company for the year ended March 31, 2014 were earlier approved by the Board of Directors at their meeting held on June 05, 2014 which were subject to revision by the Management of the Company so as to give effect to the Scheme of Amalgamation between the Company and Monarch Research and Brokerage Private Limited ('MRBPL') & Monarch Project and Finmarkets Limited ('MPFL') (collectively referred to as "<i>Transferor Companies</i>"). The financial statements of the Company were audited by Auditors and their report dated June 05, 2014, addressed to the members of the Company, expressed an opinion on those financial statements. The financial statements of the "<i>Transferor Companies</i>" were audited by other Auditors & have been relied upon by the Auditors of the Company while expressing their opinion on the revised financial statements.</p> <p>3. In reference to note no. 35, the Auditors were unable to quantify the effects on the aforesaid</p>



		<p>in accounting policies, if any, between the Company and the "Transferor Companies".</p> <p>4. Apart from the foregoing matters, the financial statements do not take into account any events subsequent to the date on which the financial statements referred to in (2) above were earlier approved by the Board of Directors and reported by the Auditors, as aforesaid.</p>
4.	Frequency of Observation	<p>Point 1 is appearing since last 3 years. Point 2, 3 & 4 has appeared for the first time.</p>
5.	To be Signed by -	
	<ul style="list-style-type: none"> Executive Director 	<p><i>Randhir Singh Sisodiya</i></p> <p>_____ Randhir Singh Sisodiya</p> 
	<ul style="list-style-type: none"> Auditor of the Company 	<p><i>Pankaj Jain</i></p> <p>_____ Pankaj Jain</p> 
	<ul style="list-style-type: none"> Audit Committee Chairman 	<p><i>Mohit Agrawal</i></p> <p>_____ Mohit Agrawal</p> 

Place: Mumbai

Date: 30th November, 2014





21st ANNUAL REPORT 2013-2014
www.networthdirect.com



Every family needs care...
...so does your net-worth



Every child needs guidance...
...so does your net-worth

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Consolidated Financial Statements	44	Annual General Meeting Day : Wednesday Date : 31 st December, 2014 Time : 12.30 P.M. Venue : Kilachand Conference Room, 2 nd Floor, Indian Merchants Chambers, LNM IMC Building, Churchgate, Mumbai - 400020

NOTICE is hereby given that the 21st Annual General Meeting of the members of Networth Stock Broking Limited will be held on Wednesday, the 31st day of December, 2014 at 12.30 p.m. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, LNM IMC Building, Churchgate, Mumbai- 400 020 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Suresh P. Jain, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Yogesh Thakker & Co., Chartered Accountants, Mumbai (having FRN: 111763W), as Statutory Auditors of the Company to hold office from the conclusion of 21st Annual General Meeting upto the conclusion of 26th Annual General Meeting and to fix their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Yogesh Thakker & Co., Chartered Accountants, Mumbai (having FRN: 111763W), be and are hereby appointed as Statutory Auditors of the Company in place of retiring auditors M/s. Dileep & Prithvi, Chartered Accountants, Mumbai (FRN: 122290W) (who have expressed their unwillingness to continue as Statutory Auditors of the Company), who shall hold office from the conclusion of 21st Annual General Meeting till the conclusion of 26th Annual General Meeting to be held for the financial year ending 31st March, 2019 (subject to ratification by the members at every AGM held after this AGM) and to audit financial accounts of the Company for the financial years from 2014-15 to 2018-19 and the Board of Directors of the Company be and is hereby authorized to fix the Auditors' remuneration in their consultation as may be agreed upon between the auditors and the Board of Directors of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of Mr. Randhir Singh Sisodiya (DIN: 05285441) as an Executive Director of the Company for the period of 1 (One) year w.e.f. 23rd June, 2014 (who has resigned from the directorship of the Company, w.e.f. closing hours of 1st December, 2014) and remuneration amounting to ₹ 4,47,667/- paid to him during the period from 23rd June 2014 till 1st December 2014 be and are hereby approved."

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

"RESOLVED THAT Mr. Vaibhav Shah (DIN: 00572666), who was appointed as an Additional Director of the Company w.e.f. 1st December, 2014 in accordance with the provisions of Sections 152 and 161 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company and holds office as such upto the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing along with the requisite deposit from himself as required under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 and Schedule V and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of Mr. Vaibhav Shah as Managing Director of the Company for a period of 1 (one) year w.e.f. 1st December, 2014 till 30th November, 2015 be and is hereby approved on the following terms and conditions:

Sr. No.	Components	Per Month (Amount in ₹.)
1	Basic Pay	1,25,000
2	House Rent Allowance	50,000
3	Transport Allowance	800
4	Children's Education Allowance	58,650
6	Medical Reimbursement	12,500
7	Employer's contribution to Provident Fund	1,250
	Total	2,50,000

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during the tenure of Mr. Vaibhav Shah as Managing 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 authorized to do all such acts, deeds, matters and things as may be required for the purpose of giving effect to this resolution."

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

"RESOLVED THAT Mr. Mayukh Pandya (having DIN: 00572719), who was appointed as an Additional Director (Independent) of the Company w.e.f. 1st December, 2014 in accordance with the provisions of Sections 149, 152 and 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and holds office as such upto the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing along with requisite deposit from himself as required under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such for a period of 5 years i.e. upto 30th November, 2019, who shall not be liable to retire by rotation."

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

"RESOLVED THAT Mr. Shailesh Desai (having DIN : 01783891), who was appointed as an Additional Director (Independent) of the Company w.e.f. 1st December, 2014 in accordance with the provisions of Sections 149, 152 and 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and holds office as such upto the date of ensuing Annual General Meeting of the Company and in respect of whom

the Company has received a notice in writing along with requisite deposit from himself as required under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such for a period of 5 years i.e. upto 30th November, 2019, who shall not be liable to retire by rotation."

8. 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 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the new set of Articles of Association be and is hereby approved and adopted as new Articles of Association of the Company in the place and exclusion of the existing Articles of Association of the Company.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association of the Company and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."
9. 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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the "Approvals") as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or by duly authorized persons for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed or to be borrowed (apart from temporary loans and other credit facilities obtained or to be obtained from the Company's bankers in the ordinary course of its business), whether secured or unsecured, will or may exceed the aggregate of the paid up capital and free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of monies so borrowed and outstanding at any one time shall not exceed the sum of ₹. 500 Crores (Rupees Five Hundred Crores only).
RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and deeds as may be required to give effect to the above resolution from time to time."
10. 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 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or by duly authorized persons for the time being exercising the powers conferred on the Board by this resolution) to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company or to create charge to secure any loan taken by other entities/bodies corporate, on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time so secured/ mortgaged shall not exceed the limit as approved under Section 180(1)(c) of the Companies Act, 2013.
RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and deeds as may be required to give effect to the above resolution from time to time."
11. 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 186 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the "Approvals") as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or by duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to make loan to any person or other body corporate or to give guarantee or provide security in connection with a loan taken by subsidiaries / associates or any person or other body corporate; and to acquire by way of subscription, purchase or otherwise securities of anybody corporate on such terms and conditions as the Board, may in its absolute discretion, deem fit, notwithstanding the fact that the aggregate of the investments, so far made, or securities so far provided, loan/guarantee so far given by the Company along with the proposed investments or loans or guarantee or security which exceeds 60% of the paid up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher, provided that the maximum amount of investment made or loan/ guarantee given / security provided by the Company shall not exceed the sum of ₹. 500 Crores (Rupees Five Hundred Crores only) at any point of time.
RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all such acts, deeds and things as may be required or necessary to give effect to the above resolution."

By Order of the Board of Directors

Place : Mumbai
 Date : 1st December, 2014

Registered Office:
 Office No. 901/902,
 9th Floor, Atlanta Centre,
 Opp. Udyog Bhavan, Sonawala Road,
 Goregaon (East), Mumbai- 400063

Dipti Vira
 Company Secretary



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
2. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto and forms part of the Notice.
3. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.
4. Brief resume of Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting in terms of Clause 49 of the Listing Agreement is annexed to the Notice.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 29th December, 2014 to Wednesday, 31st December, 2014 (both days inclusive).
6. The Register of Directors' Shareholdings maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
7. Members are requested to forward all Share Transfers and other communications/ correspondence to the Registrar & Share Transfer Agent (RTA) - M/s. Skyline Financial Services Private Limited, Unit: Networth Stock Broking Limited, D 153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020 and are further requested to always quote their Folio Number in all correspondences with the Company.
8. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / RTA quoting their Folio Number. Members holding shares in the Demat form may update such details with their respective Depository Participant.
9. Members holding shares in identical order of names in more than one folios are requested to write to the Company/RTA enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio for better services.
10. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
11. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary/Compliance Officer at the Registered Office of the Company at least ten days in advance of the meeting so that the information required may be made readily available at the meeting.
12. Members who hold the shares in dematerialized form are requested to bring their client ID and D.P. ID for easier identification of attendance at the meeting.
13. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective PAN details to their respective Depository Participant with whom they have their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agent of the Company - M/s. Skyline Financial Services Private Limited.
14. Members are requested to bring their Original photo ID (like PAN Card, Aadhar Card, Voting Card, etc, having photo identity) while attending the meeting.
15. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating some additional details of its members. You are thus requested to submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning the same by post. The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.
16. **Voting through electronic means**
Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 21st Annual General Meeting to be held on Wednesday, 31st December, 2014 at 12.30 p.m. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

The e-voting facility is available at the link www.evotingindia.com

(A) Procedure/ Instructions for e-voting are as under:

- (a) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- (b) Now click on "Shareholders" to cast your votes.
- (c) Fill up the following details in the appropriate boxes:
 - (i) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (ii) Next enter the Image Verification as displayed and Click on Login.
If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (iii) If you are a first time user follow the steps given below:



For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(d) After entering these details appropriately, click on "SUBMIT" TAB.

Members holding shares in Physical form will then reach directly to the EVSN selection screen. Members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(e) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(f) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

(g) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.

(h) Click on the EVSN for the **NETWORTH STOCK BROKING LIMITED** on which you choose to vote.

(i) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(j) Click on the "RESOLUTION FILE" Link if you wish to view the entire AGM Notice.

(k) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(l) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

(m) You can also take out print of the voting done by you by clicking on "CLICK HERE TO PRINT" option on the Voting page.

(n) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Wednesday, 31st December, 2014.

(B) General:

- (a) In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.
- (b) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (c) The e-voting period commences on Wednesday, 24th December, 2014 (9.00 a.m.) and ends on Friday, 26th December, 2014 (6.00 p.m.). During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) on Friday, 28th November, 2014, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (d) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 28th November, 2014.
- (e) CS Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (f) The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (g) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.networthdirect.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

17. The Notice of the 21st Annual General Meeting and instructions for e-voting along with Assent / Dissent Form, Attendance Slip and Proxy Form are being sent by courier.

In pursuance of Clause 49(IV) (G) of the Listing Agreement, details of directors seeking appointment/re-appointment at the ensuing Annual General Meeting are as follows:

Name of the Director	Mr. Suresh P. Jain	Mr. Vaibhav Shah	Mr. Mayukh Pandya	Mr. Shailesh Desai
Date of Birth	12 th April, 1964	17 th April, 1972	22 nd July, 1955	19 th May, 1960
Nationality	Indian	Indian	Indian	Indian
Date of Appointment as Director	2 nd December, 1993	1 st December, 2014	1 st December, 2014	1 st December, 2014
Qualifications	B.Com and CA	B.Sc	L.L.B. & B. Com	B. Com
Designation	Chairman / Promoter	Managing Director	Independent Director	Independent Director
Experience/Expertise	26 years of experience in Capital Market	21 years of experience in Capital Market & 11 years in Commodity Derivatives Market	35 years of experience in Capital Market & 11 years in Commodity Derivatives Market	30 years of experience in Accounting field.
Shareholding in the Company	32,92,137	27,12,000	NIL	NIL
List of directorships held in various other Companies	<ol style="list-style-type: none"> 1. Networth Commodities & Investments Limited 2. Networth Insurance Services Private Limited 3. Networth Financial Services Limited 4. Networth Finmart Limited 5. Networth Easylife Financial Advisory Private Limited 6. Gen Next Advisors Private Limited 7. Sun Capital Advisory Services Private Limited 8. Suncap Commodities Limited 9. Vishwakarma Kaushal Kendra 10. Networth Retail Private Limited 11. Nicheken Technologies Private Limited 12. Authum Investment & Infrastructure Limited 	<ol style="list-style-type: none"> 1. Monarch Comtrade Private Limited 2. Premjayanti Enterprises Private Limited 3. Krone Finstock Private Limited 4. Monarch Infraparks Private Limited 5. I-Zone Academy Private Limited 	<ol style="list-style-type: none"> 1. Monarch Comtrade Private Limited 2. Merry Share Fin Ltd 3. Shree Ganesh Elastoplast Limited 	<ol style="list-style-type: none"> 1. Hi scan Private Limited 2. Siddhi Vinayak Cement Private Limited
Chairmanship/ Membership of various Committee in Public Companies	Member - Audit Committee and Stakeholders' Relationship Committee of Networth Stock Broking Limited	NIL	NIL	NIL
Relationship with other directors of the Company	None	None	None	None

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**Item No.3:**

The present Auditors M/s. Dileep & Prithvi, Chartered Accountants, Mumbai (FRN: 122290W), who hold office as such upto the conclusion of the ensuing Annual General Meeting, have expressed their unwillingness to continue as Statutory Auditors of the Company.

The Company has received a consent letter from M/s. Yogesh Thakker & Co., Chartered Accountants, Mumbai (FRN: 111763W) to act as Statutory Auditors of the Company, if appointed. The Company has received special notice as required under Section 140 of the Companies Act 2013, proposing the appointment of M/s. Yogesh Thakker & Co, Chartered Accountants, Mumbai as Statutory Auditors. The Company has also received a certificate from them to the effect that their appointment, if made, would be in compliance with the conditions as prescribed under Section 139 of the Companies Act, 2013 and they satisfy the criteria as provided under Section 141 of the Act.

The Board of Directors recommends the Ordinary Resolution as set out at item no. 3 of the Notice for your approval.

None of the Directors and Key Managerial Personnel of your Company or relatives of Directors/Key Managerial Personnel are concerned or interested in the said resolution.

Item No. 4:

Mr. Randhir Singh Sisodiya was appointed as an Additional Director of the Company w.e.f. 23rd June, 2014. Mr. Randhir Singh Sisodiya, aged 34 years and he has 5 years of experience in Capital Market.

Mr. Randhir Singh Sisodiya was also appointed as an Executive Director of the Company for a period of 1 (One) year w.e.f. 23rd June, 2014. However, he resigned from the directorship of the Company w.e.f closing hours of 1st December, 2014. As per provisions of Schedule V of the Companies Act, 2013, the appointment and remuneration paid to Mr. Randhir Singh Sisodiya needs to be approved by the shareholders of the Company in general meeting.

The Board recommends the Ordinary Resolution as set out at item no. 4 of the Notice for your approval.

None of the Directors and Key Managerial Personnel of your Company or relatives of Directors/Key Managerial Personnel are concerned or interested in the said resolution.

Item No. 5:

Mr. Vaibhav Shah was appointed as an Additional Director of the Company w.e.f. 1st December, 2014. Mr. Vaibhav Shah, aged 42 years, has done B.Sc from Gujarat University. He has 21 years of experience in Capital market & 11 years in Commodity Derivatives market.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Vaibhav Shah holds office as such upto the date of ensuing Annual General Meeting. The Company has received a notice along with requisite deposit from himself under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director.

Mr. Vaibhav Shah is also appointed as Managing Director of the Company for a period of 1 (One) year w.e.f. 1st December, 2014 on the terms and conditions as provided in resolution as set out at item no. 5 of the Notice. As per provisions of Schedule V of the Companies Act, 2013, the appointment and remuneration payable to Mr. Vaibhav Shah needs to be approved by the shareholders of the Company in general meeting.

The Board recommends the Ordinary Resolution as set out at item no. 5 of the Notice for your approval.

Except, Mr. Vaibhav Shah, none of the Directors and Key Managerial Personnel of your Company or relatives of Directors/Key Managerial Personnel are concerned or interested in the said resolution.

Item Nos. 6 & 7:

Mr. Mayukh Pandya and Mr. Shailesh Desai were appointed as Additional Directors of the Company w.e.f. 1st December, 2014. Mr. Mayukh Pandya has done his graduation in Commerce faculty and completed L.L.B. thereafter. He has 35 years of experience in Capital market & 11 years in Commodity & Derivatives market. Mr. Shailesh Desai is a Commerce graduate and has 30 years' experience in Accounting field.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Mr. Mayukh Pandya and Mr. Shailesh Desai hold office as such upto the date of ensuing Annual General Meeting.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013, which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation.

Mr. Mayukh Pandya and Mr. Shailesh Desai have given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013 to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notices along with requisite deposit from them under Section 160 of the Companies Act, 2013 proposing their candidature for the office of Independent Director.

In the opinion of the Board, Mr. Mayukh Pandya and Mr. Shailesh Desai proposed to be appointed as Independent Directors fulfill the conditions specified in the Act and the rules made thereunder and are independent of the management.

Brief resume of the Independent Directors proposed to be appointed as stipulated under the Clause 49 of the Listing Agreement with BSE Limited is given in the annexure to the Notice.

The Board recommends the Ordinary Resolutions as set out at item nos. 6 & 7 of the Notice for your approval.

Except, Mr. Mayukh Pandya and Mr. Shailesh Desai, none of the Directors and Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolutions.

Item No. 8:

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956. With enforcement of the Companies Act, 2013, various provisions of the Companies Act, 1956 have become ineffective and in view of the same, the AoA of the Company need to be re-aligned as per the provisions of the new Act.

The Board of Directors at its meeting held on 1st December, 2014 decided to incorporate/substitute/alter certain provisions as per the latest amendments of the Companies Act, 2013. As this would result in a number of changes in the existing AoA of the Company, it was decided to adopt a new set of AoA in place of and in exclusion to the existing AoA of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of AoA of the Company.

A copy of the proposed set of new AoA of the Company would be available for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and during the Annual General Meeting.

The Board recommends the Special Resolution as set out at item no. 8 of the Notice for your approval.

None of the Directors and Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

Item Nos. 9 & 10 :

In order to meet the future requirements of funds, which may arise on account of the plans/programs/business, the Company may require further loans/borrowings from financial institutions, banks and other entities. Further, to secure such borrowings, the Company may be required to create charge/mortgage/hypothecation on all or any of its movable and/or immovable assets, both present and future as and when required from time to time.

In terms of the provisions of Section 180(1)(c) & 180(1)(a) of the Companies Act, 2013, the Company needs to take approval of members of the Company for increasing the borrowing powers and authority to create charge / mortgage on the assets of the Company to secure the money(ies) borrowed from financial institutions, banks and others financial entities from time to time. Hence it is proposed to take your approval for a limit upto ₹ 500 Crores.

The Board recommends the Special Resolutions as set out at item nos. 9 & 10 of the Notice for your approval.

None of the Directors and Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel is concerned or interested in the said resolutions.

Item No. 11:

As per the provisions of Section 186 of the Companies Act, 2013, a Company, without approval of the shareholders by passing a Special Resolution, cannot give any loan to any person or other body corporate/give any guarantee or provide security in connection with a loan taken by other body corporate or person or acquire by way of subscription, purchase or otherwise, securities of any body corporate exceeding-

- i) Sixty per cent of its paid up capital, free reserves and securities premium account; or
- ii) One hundred per cent of its free reserves and securities premium account, whichever is more.

Your Company has embarked upon a growth path and is constantly reviewing opportunities for expansion of its business operations either directly or through its subsidiaries / joint ventures / associate companies and therefore it may require to provide support to meet long term financial and working capital requirements by way of loan(s) and/or guarantee(s) and/or security(ies) / investment in securities of such subsidiaries / joint ventures / associate companies / other bodies corporate.

It is, therefore, proposed that the Board of Directors of the Company be authorized to invest by way of subscription and/or purchase of securities, grant of loan(s), giving of guarantee(s) and/or providing of security (ies) for an amount not exceeding ₹. 500 Crores from time to time in/to one or more of the persons/entities i.e. subsidiaries / joint ventures / associate companies / other bodies corporate. The source of funds for making these investments would be surplus funds generated by the Company through operations or from such other sources as the Board may deem appropriate. Since the investments, loans, guarantees and/or securities proposed together with the loans and investments already made, guarantee and securities already given may exceed the limits as specified in Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board & its Powers) Rules, 2014, approval of the members is required for the same.

The Board of Directors accordingly recommends the resolution as set out at Item No. 11 of the Notice for your approval.

None of the Directors and Key Managerial Personnel of your Company or their relatives are concerned or interested in the said resolution.

Place: Mumbai

Date: 1st December, 2014

Registered Office:

Office No. 901/902,
9th Floor, Atlanta Centre,
Opp. Udhayog Bhavan, Sonawala Road,
Goregaon (East), Mumbai- 400063

By order of the Board of Directors

Dipti Vira
Company Secretary

DIRECTORS' REPORT

To
The Members of
Networth Stock Broking Limited

Your Directors present the 21st Annual Report together with Financial Statements of the Company for the financial year ended 31st March 2014.

SCHEME OF AMALGAMATION:

The Board of Directors of your Company at its meeting held on 9th April, 2011 had approved the Scheme of Amalgamation (the Scheme) under Section 391 to 394 read with Section 78 and Section 100 to 103 of the Companies Act, 1956 of Monarch Research and Brokerage Private Limited ('MRBPL') and Monarch Project and Fimarkets Limited ('MPFL') with the Company with effect from appointed date 1st April, 2010. The same was approved by the shareholders of the Company at the Court Convened Meeting held on 9th April, 2012.

Pursuant to the said Scheme of Amalgamation as approved by the Hon'ble High Court of Gujarat vide its order dated 3rd May, 2013 and by the Hon'ble High Court of Bombay vide its order dated 7th August, 2014, MRBPL and MPFL have been amalgamated with your Company and all assets and liabilities are transferred to and vested in the Company with effect from appointed date i.e. 1st April, 2010.

The certified copies of the said orders have been filed with the Registrar of Companies, Gujarat and Maharashtra, Mumbai on 25th July, 2013 and 15th October, 2014 respectively. Accordingly, the Scheme has become effective with effect from 15th October, 2014, being the later of the date on which the certified copy of the High Court orders sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra, Mumbai.

According to clause 11 of the Scheme of Amalgamation, the Authorized Share Capital of the Company post amalgamation has been increased from ₹ 17,50,00,000/- (Rupees Seventeen Crores Fifty Lacs) divided into 1,25,00,000 (One Crore Twenty Five Lacs) Equity shares of ₹ 10/- (Rupees Ten only) each and 5,00,000 (Five Lacs) 6% Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred only) to ₹ 41,50,00,000/- (Rupees Forty One Crores Fifty Lacs only), divided into 3,05,00,000 (Three Crores Five Lacs only) Equity shares of ₹ 10 (Rupees Ten) each and 5,00,000 (Five Lacs only) 6% Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred only) and 60,00,000 (Sixty Lacs) Preference Shares of ₹ 10/- (Rupees Ten Only) each.

Pursuant to the said Scheme, the Board of Directors of the Company at its meeting held on 27th October, 2014 has issued and allotted 1,90,80,000 Equity shares of ₹ 10/- each to the shareholders of transferor companies in the following ratio:

- In case of MRBPL, in the ratio of 100 (One Hundred) equity share of face value of ₹ 10/- (Rupees Ten Only) each fully paid up in the Transferee Company for every 100 (one Hundred) Equity Share of the face value of ₹ 10/- (Rupees Ten only) each fully paid up in MRBPL.
- In case of MPFL in the ratio of 201 (Two Hundred and One) equity share of face value of ₹ 10/- (Rupees Ten Only) each fully paid up in the Transferee Company for every 100 (One Hundred) Equity Share of the face value of ₹ 10/- (Rupees Ten Only) each fully paid up in the MPFL.

Consequent to the said allotment, the paid-up share capital of the Company has increased from ₹ 11,23,16,000/- to ₹ 30,31,16,000/-.

FINANCIAL HIGHLIGHTS:

The financial highlights after giving effect of the amalgamation, as aforesaid, are as follows:

Particulars	₹. in Lacs	
	Year ended on 31/03/2014	Year ended on 31/03/2013
Total Revenue	3663.73	2067.81
Profit/ (Loss) before Finance Cost, Depreciation & Amortization expenses and Tax	845.25	348.12
Less: Finance Cost	565.43	154.77
Depreciation and Amortization expenses	304.66	161.29
Profit/(Loss) before exceptional/Extraordinary items and Tax	(24.84)	32.06
Add: Exceptional/Extraordinary items and prior period adjustments	(180.02)	(2.98)
Profit/(Loss) before Tax	(204.85)	29.08
Less: Tax Expense	(138.36)	(48.84)
Profit / (Loss) after Tax	(66.49)	77.92

The figures for the year ended March 31, 2014 are not comparable with the figures of the previous year which were prepared on standalone basis.

FINANCIAL PERFORMANCE:

The total income of the Company after giving effect of the amalgamation for the year under review stood at ₹ 3663.73 Lacs (previous year ₹ 2067.81 Lacs). During the year the Company incurred net loss of ₹ 66.49 Lacs (previous year profit of ₹ 77.92 Lacs).

DIVIDEND:

In view of loss during the year, your Directors do not recommend any dividend for the year under review.

DIRECTORS:

Mr. Vaibhav Shah was appointed as an Additional and also Managing Director of the Company for a period of 1 (One) year w.e.f. 1st December, 2014, subject to approval of the shareholders of the Company. He holds office upto the date of ensuing Annual General Meeting.

Mr. Mayukh Pandya and Mr. Shailesh Desai were appointed as Additional (Independent) Directors of the Company for a period of 5 years w.e.f. 1st December 2014, subject to approval of the shareholders of the Company. In terms of provisions of Section 161 of the Companies Act, 2013, Mr. Mayukh Pandya and Mr. Shailesh Desai hold office as such up to the date of ensuing Annual General Meeting of the Company.

The Company has received notices from Mr. Vaibhav Shah, Mr. Mayukh Pandya and Mr. Shailesh Desai under Section 160 of the Companies Act, 2013 together with necessary deposit offering themselves for appointment as Directors of the Company. The Company has received declarations from Mr. Mayukh Pandya and Mr. Shailesh Desai confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered with the Stock Exchange. Your Board recommends for their appointment as Directors of the Company.

In accordance with the provision of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and the Articles of Association of the Company, Mr. Suresh P. Jain, Chairman of the Company, retires by rotation and being eligible, offers himself for re-appointment.

During the period :

1. Mr. Manish Ajmera, Executive Director & Chief Financial Officer (CFO) of the Company resigned from the Directorship of the Company w.e.f. closing hours of 23rd June, 2014.
2. Mr. Randhir Singh Sisodiya was appointed as Additional (Executive) Director of the Company w.e.f 23rd June, 2014 for a period of 1(One) year. Mr. Randhir Singh Sisodiya, Executive Director, Mr. Praveen Toshniwal and Mr. Sanjay Motta, Independent Directors of the Company resigned from Directorships of the Company w.e.f. closing hours of 1st December, 2014. The Board places on record its appreciation for their valuable contribution made during their tenure as Directors of the Company.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under Clause 49 of the Listing Agreement entered with the Stock Exchange are given in the Notice convening 21st Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby confirms that -

- (i) The applicable Accounting Standards have been followed and proper explanations relating to material departures have been given wherever necessary;
- (ii) 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 at the end of the financial year ended 31st March, 2014 and of the loss of the Company for the year ended on that date.
- (iii) The Directors had 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
- (iv) The Directors have prepared the Annual Accounts on a 'Going Concern' basis.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

Consequent to the merger of MRBPL and MPFL with the Company, MPFL's subsidiary company viz. Monarch Insurance Broking Private Limited has become subsidiary of the Company. Accordingly, the Company had 5 subsidiaries as on March 31, 2014, namely:

1. Networth Commodities & Investments Limited (NCIL),
2. Networth Wealth Solutions Limited (NWSL),
3. Networth Insurance Broking Private Limited (NIBPL)
4. Ravisha Financial Services Private Limited (RFSL) and
5. Monarch Insurance Broking Private Limited (MIBPL)

During the period under review, Networth Softech Limited (NSL) ceased to be subsidiary of the Company upon allotment of new shares by the NSL to others.

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. Networth Commodities & Investments Limited (NCIL), Networth Wealth Solutions Limited (NWSL), Networth Insurance Broking Private Limited (NIBPL), Ravisha Financial Services Private Limited (RFSL) and Monarch Insurance Broking Private Limited (MIBPL) 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:

During the year under review, the Company has not accepted or renewed any public deposits within the meaning of Section 58A and 58AA of the Companies Act, 1956.

STATUTORY AUDITORS:

M/s. Dileep and Prithvi, Chartered Accountants (having FRN: 122290W), Mumbai, the Statutory Auditors of your Company hold office as such upto the conclusion of the ensuing Annual General Meeting and have expressed their unwillingness to continue to act as the Statutory Auditors of the Company.

The Company has received a special notice as required under Section 140 of the Companies Act 2013, proposing the appointment of M/s. Yogesh Thakker & Co., Chartered Accountants, Mumbai (FRN: 111763W) as Statutory Auditors of the Company. The Company has received a letter from M/s. Yogesh Thakker & Co., Chartered Accountants confirming their willingness to act as Statutory Auditors of the Company, if appointed. The Company has also received a certificate from them to the effect that their appointment, if made, would be in compliance with the conditions as prescribed under Section 139 of the Companies Act, 2013 and they satisfy the criteria as provided under Section 141 of the Act.

Your Directors recommend the appointment of M/s. Yogesh Thakker & Co., Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of the 21st Annual General Meeting upto the conclusion of 26th Annual General Meeting of the Company and to audit financial statements for the financial years from 2014-15 to 2018-19.

AUDITORS' REMARKS:

The Auditors remarks on the Emphasis of Matter on the event occurring after the Balance Sheet date given in Auditors' Report and remarks at paragraph 9(a)(i) of the Annexure to Auditors' Report are self-explanatory and do not require further comments.

STOCK EXCHANGE:

The Equity Shares of the Company are listed at BSE Limited. The Company has paid the Annual listing fees for the year 2014-15 to the said Stock Exchange.

CORPORATE GOVERNANCE:

As required under Clause 49 of the Listing Agreement entered into with BSE Limited, Management Discussion and Analysis Report and Corporate Governance Report are annexed herewith and form part of this Report.

DEPOSITORY SYSTEM:

As the Members are aware, your Company's shares 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 dematerialization of the Company's shares on either of the Depositories as aforesaid.

INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has constituted an Internal Compliant Committee under Section 4 of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was made before the Committee.

PARTICULARS OF EMPLOYEES:

During the year under review, no employee was in receipt of remuneration exceeding the limits as prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with 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 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

(₹. in Lacs)		
Particulars	2013-2014	2012-2013
Foreign Exchange Earned	0.10	0.63
Foreign Exchange Used	Nil	Nil

ACKNOWLEDGEMENT:

Your Directors wish to place on record their gratitude and deep appreciation for the continued support and co-operation received by the Company from the shareholders, company's clients, suppliers, bankers and employees and look forward for their continued support in the future as well.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 1st December, 2014

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, 2014:

(₹ in Lacs)						
Sr. No	Particulars	Networth Commodities & Investments Limited	Networth Wealth Solutions Limited	Ravisha Financial Services Private Limited	Networth Insurance Broking Private Limited	Monarch Insurance Broking Private Limited
1.	Financial year ended on	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014
2.	Paid up Share Capital	140.07	100.00	500.00	1.00	50.00
3.	Reserves & Surplus	(5.05)	(1,114.88)	(283.14)	(0.43)	(4.24)
4.	Total Assets	576.07	236.71	1670.07	3.17	50.26
5.	Total Liabilities	441.05	1,251.59	1453.20	2.60	4.50
6.	Investments (excluding investments in subsidiary companies)	0.48	-	-	-	-
7.	Turnover & Other Income	289.35	30.89	272.47	-	0.12
8.	Profit/(Loss) before Taxation	(98.44)	1.73	(77.75)	(0.19)	0.04
9.	Provision for Taxation	-	0.15	(10.24)	-	0.01
10.	Profit/Loss after Taxation	(98.44)	1.58	(67.52)	(0.19)	0.03

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31st March, 2014. The management discussion and analysis have been included in consonance with the code of corporate governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

ECONOMIC OVERVIEW:

Company is providing Stock Broking, Depository and merchant banking Services. The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein.

The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

As per the Asian Development Outlook 2014, the economic slowdown bottomed out last year. A spell of global financial turbulence caused capital outflows and pressure on the exchange rate. India's economic growth during FY2014 was slowed because of persistently high inflation, policy paralysis, little progress on economic reforms, high interest rates and continued uncertainty in global economy. As a result of this, along with other sectors, the Indian automobile sector, real estate sector saw a new low point of their business cycle.

With widespread reform measures initiated in recent months and the global economy poised for a recovery, the Indian economy is expected to witness an improved outlook in 2014-15. India's medium term growth outlook is positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates and increasing integration into the global economy. With the opening up of Foreign Direct Investment (FDI) in several sectors, India is today an eye catching destination for overseas investors. The relaxation of norms by the government has created a vast opportunity for foreign players, who are competing for a greater role in the Indian market. Sectors projected to do well in the coming years include education, infrastructure, automotive, technology, life sciences and consumer products & said upsurge in economy is reflected in our Capital Market.

INDUSTRY OUTLOOK

FY2013-14 was yet another difficult year for the domestic brokerage industry despite the pick-up in trading volumes in the latter half of the year. The rupee volatility, current account deficit, fiscal deficit, persistent inflation along with perceived delays in policy formulation together contributed to erosion in investor confidence in the Indian capital market for a major part of the year. However, perception of improvement in major macro-economic indicators buttressed expectations of the economy bottoming out and led to an improvement in the global risk perception of India in the later part of the last fiscal. In anticipation of a stable national government post elections in May 2014, the Q4FY14 FII inflows of USD 9.4 billion infused optimism in an otherwise lackluster year for the Indian capital markets. Not only did the benchmark indices scale newer highs in March 2014 and continued their upward march, even broader based mid-cap indices displayed a significant uptick in Q4FY14. Retail participation was subdued in large part of FY2013-14 & the institutional broking business faced significant headwinds in FY14 despite some improvement in the later part of the year following strong FII activity and successful big-ticket divestments.

The broking industry continues to steadily consolidate as some of the weaker players exit the business and the stronger players strengthen their position. The top 100 brokers account for 80% market share as at March 2014 as compared to 77% as at March 2013. On the other hand, the industry has seen sub-broker attrition to the tune of 20% of the base as at April 2013 in H1FY14. For the larger standalone brokers, improved retail participation may buy more time to find the correct business mix to combat the structural changes in the industry and diversify even beyond the capital market business borders. However for the smaller brokers, unless there is a rapid increase in retail participation, they will continue to face significantly higher pressures compared to their larger and more diversified peers.

SEGMENT-WISE PERFORMANCE:

The Segment wise performance is given in Note 37 to the Consolidated Financial Statements.

SUBSIDIARY COMPANIES:

As on 31st March, 2014 the Companies had following subsidiaries:

1. Networth Commodities & Investments Limited
2. Networth Wealth Solutions Limited
3. Ravisha Financial Services Private Limited
4. Networth Insurance Broking Private Limited
5. NetworthSoftTech Limited (Upto 6th February, 2014)
6. Monarch Insurance Broking Pvt. Ltd. (upon amalgamation of Monarch Project & Finmarkets Ltd. with the Company)

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.

OPPORTUNITIES AND THREATS:

Some of the key challenges unfavorable to the company are -

- Increased competition
- Retention of human capital
- High Regulatory frame works and compliances
- Government paralysis, economic slowdown, slower pace of reforms, slower growth in global economic environment, fluctuation in currency rates, etc.

However with stable government at centre & faster economic reforms & better fiscal management will improve the economic outlook and provide the much needed momentum to bring the high growth rate on track.

INITIATIVES BY THE COMPANY:

The Company's focus on the Institutional Business continues inspite of the lower institutional participation in the last year. The Company is also taking every effort to locate new client base to boost its retail client business. The company is endeavoring to penetrate into new Financial Activities.

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.

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.

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 and Networth Stock Broking Limited (NSBL) and MPFL has received the sanction of the Hon'ble High Court of Bombay on 7th August, 2014, the certified copy of the said order has been filed with Registrar of Companies (RoC), Mumbai. It has sanctioned the Scheme of Amalgamation of Monarch Research and Brokerage Private Limited (MRBPL) and Monarch Project and Finmarkets Limited (MPFL) (Transferor Companies) with Networth Stock Broking Limited (Transferee Company) pursuant to the provisions of Section 391 to 394 read with Sections 78, 100 to 104 of the Companies Act, 1956 with effect from the appointed date i.e. 1st April, 2010. The certified copies of the said orders has been filed with the Registrar of Companies, Gujarat and Maharashtra, Mumbai on 25th July, 2013 and 15th October, 2014 respectively. Accordingly, the Scheme has become effective with effect from the 15th October, 2014 being the later of the date on which the certified copy of the High Court order sanctioning the Scheme is filed with the Registrar of Companies, Mumbai. Accordingly, the effect of the Scheme of Amalgamation is given in the financial statements for the year ended 31st March, 2014.

The Amalgamation will provide significant impetus to the growth of the Company since the erstwhile transferor companies were also engaged in the business of broking and depository services.

RISK MANAGEMENT & INTERNAL CONTROL SYSTEM

The Company is exposed to specific risks that are particular to its business and the environment within which it operates including economic cycle, market risks, competition risk, interest rate volatility, human resource risk and execution risk, etc. The Company mitigates these risks by enhancing its technological capabilities in Surveillance mechanism and by following prudent business and risk practices and adhering to standard policies and procedures adopted for risk management. Being engaged in the business in a highly regulated industry; we are equipped with risk management measures in the very regulations itself. An extensive Internal Audit is carried out by independent firm of Chartered Accountants reporting to Audit Committee on regular basis. Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly which ensures -

- Compliance with all applicable laws, rules & regulations, listing requirements and management regulations,
- Proper recording and verification of all financial transactions
- Adherence to applicable accounting standards and policies.

The performance of capital market in India has a direct correlation with the prospect of economic growth and political stability. Though the growth projections for FY 2014-15 appear reassuring, there are certain downside risks such as pace and shape of global recovery, effect of withdrawal of fiscal stimulus and hardening of commodity prices. Our business performance may also be impacted by increased competition from local and global players operating in India, regulatory changes and attrition of employees. With growing presence of players offering advisory service coupled with provision of funds for the clients' needs, we would face competition of unequal proportion. We continuously tackle this situation by providing increasingly superior customized services.

In financial services business, effective risk management has become very crucial. Your Company is exposed to credit risk, liquidity risk and interest rate risks. Your company has in place suitable mechanisms to effectively reduce such risks. All these risks are continuously analyzed and reviewed at various levels of management through an effective management information system.



OUTLOOK

With change in new stable government at centre, continues reform measures being implemented & signs of inflation cooling off & expected interest rate cut, growth in the economy is expected to give the necessary support to the industry which was reeling earlier under slow pace of reforms, high current account & fiscal deficit & high inflation. The Company is making all its efforts to accelerate growth in its business & improve its market share.

HUMAN RESOURCES/INDUSTRY RELATIONS:

Human capital is a key to the any service industry and company being into financial service industry it understands its value & follows healthy HR practices providing constant training and motivation to its staff.

- The company provided excellent working environment so that the individual staff can reach his/her full potential.
- The company is poised to take on the challenges and march towards accomplishing its mission with success.
- The Company maintained good Industrial/Business relation in market which enhanced the Creditworthiness of the Company.

The total staff strength of the Company and its subsidiaries as on 31st March, 2014 stood at 353.

DISCUSSION ON FINANCIAL / OPERATIONAL PERFORMANCE

Particulars	2013-14	2012-13	2011-12
Total Revenue	366,372,904	206781372	214575421
EBIDTA	84,524,995	34812272	(31302764)
PBT	(20,485,402)	2907803	(58424823)
PAT	(6,649,135)	7791602	(28501723)
EPS	(0.59)	0.69	(2.54)

CAUTIONARY STATEMENT

Statement in the Management Discussion and analysis describing the company's objectives exceptions or predications may be forwards looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the company's operation. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities etc. over which the company does not have any control.



REPORT ON CORPORATE GOVERNANCE

1. 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.

2. BOARD OF DIRECTORS:

The Board of Directors provides strategic direction and thrust to the operations of the Company. 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.

a) Size and Composition

As on 31st March, 2014, the Board of Directors comprised of five directors out of which three were Independent Directors, one Non-Executive & Non Independent Director and one Executive Director. 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 Chairman in more than 5 Committees in terms of Clause 49 of the Listing Agreement.

b) Board Meetings

During the year under review, 7 (Seven) meetings of Board of Directors were held viz. on 6th May, 2013, 17th June, 2013, 14th August, 2013, 27th September, 2013, 13th November, 2013, 22nd January, 2014 and 14th February, 2014.

The details of composition of the Board of Directors, their attendance at each Board meeting held during the financial year 2013-14 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 ²		
					Directorships	Committee	
						Chairmanship(s)	Membership(s)
Mr. S. P. Jain	Promoter, Non-Executive Director & Chairman	7	6	No	5	-	-
Mr. Praveen Toshniwal	Independent Director	7	7	No	-	-	-
Mr. Sanjay Motta	Independent Director	7	7	No	-	-	-
Mr. Mohit Agrawal	Independent Director	7	7	No	1	-	-
Mr. Manish Ajmera	Executive Director & Chief Financial Officer (CFO)	7	7	Yes	4	-	-

Notes:

- In accordance with Clause 49 of the Listing Agreement, Membership/Chairmanships of only the Audit Committee and Stakeholders' Relationship 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 Limited Companies.

a) 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.

b) Committees of the Board

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

- Audit Committee
- Investors Grievance Committee (now known as Stakeholders Relationship Committee)
- Remuneration Committee (now known as Nomination and Remuneration Committee)

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

1. 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.

Terms of Reference:

The terms of reference of this Committee are wide. Besides having access to all the required information from within the Company, the Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. The brief description of terms of reference is as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with management, the annual financial statements before submission to the Board for approval with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board' Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Qualifications in draft audit report, if any.
- Review with management quarterly/half yearly/yearly financial statements before submission to the Board for approval.
- Recommending the appointment/re-appointment/removal of statutory auditors, fixation of audit fees and also approval of payments for any other services.
- Reviewing the adequacy of the internal audit functions/systems.
- Discussing with internal and statutory auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- Reviewing the Company's financial and risk management policies.
- Compliance with the Stock Exchange and legal requirements concerning financial statements.

Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/ or other Committees of Directors of the Company.

Composition, Quorum, Number of Meetings and Attendance:

The quorum of the Committee is two independent members or one third of the total members of the Committee, whichever is higher. As on 31st March, 2014, the Audit Committee consisted of three Independent Directors and one Non-Executive Non-Independent Director. During the financial year 2013-14, the members of Audit committee met 6 (six) times on 30th May, 2013, 17th June, 2013, 14th August, 2013, 27th September, 2013, 13th November, 2013 and 14th February, 2014.

The Composition and attendance of the members of the Audit Committee during the financial year 2013-14 was as follows

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mohit Agrawal	Chairman	6	6
Mr. Suresh P. Jain	Member	6	6
Mr. Praveen Toshniwal	Member	6	6
Mr. Sanjay Motta	Member	6	6

The Company Secretary acts as the Secretary to the Committee.

2. INVESTORS' GRIEVANCE COMMITTEE (now known as Stakeholders Relationship Committee):

The Board of Directors of the Company at its Meeting held on 5th June, 2014 had re-christened the Investors' Grievance Committee as the Stakeholders Relationship Committee, to comply with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (the Rules).

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 recommends measures for improvements.

Composition, Quorum, Number of Meetings and Attendance:

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

During the financial year 2013-14, the Stakeholders' Relationship Committee met 6 (Six) times on 10th May, 2013, 17th June, 2013, 10th August, 2013, 14th August, 2013, 13th November, 2013 and 14th February, 2014.

The composition and attendance of the members of the Stakeholders' Relationship Committee during the financial year 2013-14 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mohit Agrawal	Chairman	6	6
Mr. Suresh P. Jain	Member	6	6
Mr. Sanjay Motta	Member	6	6

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.



3. REMUNERATION COMMITTEE (Now known as Nomination and Remuneration Committee):

The Board of Directors of the Company at its Meeting held on 5th June, 2014 had re-christened the Remuneration Committee as the Nomination and Remuneration Committee, to comply with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (the Rules).

Terms of Reference:

The broad terms of reference of the Nomination & Remuneration Committee are to recommend the Company's policy on remuneration packages for the Executive Directors, reviewing the structures, design and implementation of remuneration policy in respect of key managerial personnel.

Composition, Quorum, Number of Meetings and Attendance:

The quorum for the committee meetings is two members present at a meeting.

As on 31st March, 2014 the composition of the Remuneration Committee was 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, the Nomination and Remuneration Committee met once on 13th November, 2013 and all the members were present. The Company Secretary acts as the Secretary to the Committee.

Details of remuneration/sitting fees paid to the Directors during the year under review and number of equity shares held by them in the Company as on 31st March 2014:

(₹ in lacs except no. of shares)

Name of the Director	Designation	Remuneration	Sitting fees	No. of Shares held
Mr. Suresh P. Jain	Promoter, Non-Executive Director & Chairman	-	-	32,92,137
Mr. Mohit Agrawal	Independent Director	-	-	-
Mr. Manish Ajmera	Executive Director & Chief Financial Officer (CFO)	18.90	-	-
Mr. Sanjay Motta	Independent Director	-	-	-
Mr. Praveen Toshniwal	Independent Director	-	-	-

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.

3. SUBSIDIARY COMPANIES

As on 31st March, 2014 the Company had following subsidiaries:

1. Networth Commodities & Investments Limited
2. Networth Wealth Solutions Limited
3. Ravisha Financial Services Private Limited
4. Networth Insurance Broking Private Limited
5. Networth SoftTech Limited (upto 6th February, 2014)
6. Monarch Insurance Broking Pvt. Ltd. (upon amalgamation of Monarch Project & Finmarkets Ltd. with the Company)

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.

4. 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
20 th Annual General Meeting	20 th December, 2013	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, 2012 2) 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, 2013.
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.

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.

5. DISCLOSURES

a) 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.

b) 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.

c) Disclosure of Risk Management

The Company has initiated the risk assessment and minimization procedure.

d) 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. 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 2014-15 to the BSE Limited.

e) 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.

f) 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 Mr. Manish Ajmera, Executive Director & CFO of the Company, forms part of this Annual report, which along with the Auditors' Certificate on compliance of Clause 49 of the Listing Agreement by the Company are annexed to this report.

g) Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2014 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

h) CEO / CFO Certification

In terms of the requirements of Clause 49(V) of the Listing Agreement, the Board of Directors of the Company have been furnished with the requisite certificate from the Executive / Managing Director of the Company.



i) 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.

j) Means of Communications

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

The Audited financial results and the shareholding pattern are displayed on the Company's website 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 forms 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.

6. GENERAL SHAREHOLDER INFORMATION

Registered and Corporate Office

The Registered and Corporate office of the Company is situated at Office no.901/902,9th floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (East), Mumbai-400063.

Annual General Meeting

Date : 31st December, 2014

Day : Wednesday

Time : 12.30 P.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 (Provisional for 2014-15)

Subject Matter	Tentative Dates of the Board Meeting
Financial results for the quarter ended 30 th June, 2014	On 13 th August, 2014
Financial results for quarter ended 30 th September, 2014	On 14 th November, 2014
Financial results for quarter ending 31 st December, 2014	By 14 th February, 2015
Financial results for quarter / year ending 31 st March, 2015	By 30 th May, 2015

Date of Book Closure: Monday, 29th December, 2014 to Wednesday, 31st December, 2014 (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 Financial Year 2014-15.

BSE Limited Stock Code: 511551

Demat ISIN - NSDL & CDSL: INE903D01011

Bloomberg : NWTF IN

Reuters : NETS.BO

Custodial Fee: The Company has paid its custodial fees for the Financial Year 2014-15 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them as on 31st March, 2014.

Market Price Data: High & Low price of the Equity Shares of the Company at BSE Ltd. during each month for the year 2013-2014 as compared to BSE SENSEX points are as follows:

Month	Price on BSE (Rs.)		BSE Sensex (Points)	
	High	Low	High	Low
Apr 2013	15.80	9.55	19,622.68	18,144.22
May 2013	15.60	10.01	20,443.62	19,451.26
Jun 2013	13.05	8.30	19,860.19	18,467.16
Jul 2013	11.20	7.92	20,351.06	19,126.82
Aug 2013	11.55	7.75	19,569.20	17,448.71
Sep 2013	11.90	8.51	20,739.69	18,166.17
Oct 2013	12.85	8.52	21,205.44	19,264.72
Nov 2013	15.00	12.02	21,321.53	20,137.67
Dec 2013	14.50	12.36	21,483.74	20,568.70
Jan 2014	13.00	9.62	21,409.66	20,343.78
Feb 2014	13.69	9.84	21,140.51	19,963.12
Mar 2014	19.23	14.37	22,467.21	20,920.98

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, 2014:

Categories	No. of Shareholders	No. of Shares	% of shareholding
Promoters	3	35,71,287	31.80
Financial Institution/Banks	2	2,99,145	2.66
FII's	1	9,155	0.08
Non- Resident Indians	12	1,19,059	1.06
Bodies Corporate	146	23,77,813	21.17
Indian Public	4,671	48,55,141	43.23
Total	4,835	1,12,31,600	100.00

Distribution Schedule as on 31st March, 2014:

Slab of Shares Holding		Number of Shareholders	% to total number of holders	Total Number of Shares	% to total Number of Shares
From	To				
1	500	3907	80.81	61,1452	5.44
501	1000	368	7.61	3,08,700	2.75
1001	2000	213	4.41	3,35,909	2.99
2001	3000	83	1.72	2,13,183	1.90
3001	4000	43	0.98	1,54,498	1.38
4001	5000	45	0.93	2,12,509	1.89
5001	10000	75	1.55	5,54,420	4.94
10001 and above		101	2.09	88,40,929	78.71
TOTAL		4835	100.00	1,12,31,600	100.00

Dematerialization of Equity Shares and Liquidity

As on 31st March, 2014, 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 during the year under review.

Address for Investor Correspondence

For any queries, please write to

Ms. Dipti Vira,

Company Secretary & Compliance Officer

Networth Stock Broking Limited

Office no.901/902, 9th Floor,

Atlanta Centre,

Opp. Udog Bhawan, Sonawala Road,

Goregaon (East), Mumbai-400063

Telephone: 30641600 Fax No: 022-26850257

Email: reachus@networthdirect.com

Website: www.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 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,

Networth Stock Broking Ltd.

It is hereby confirmed that as provided in Clause 49 I (D) of the listing agreement with the stock exchange, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company during the financial year ended 31st March, 2014.

For Networth Stock Broking Limited

Place: Mumbai

Date: 1st December, 2014

Randhir Singh Sisodiya
Executive Director



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS 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, 2014 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 : 1st December, 2014**

**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 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate affairs in respect of Section 133 of the Companies Act, 2013 and 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.

Auditor's 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, 2014;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter on event occurring after the balance sheet date -

(a) We draw attention to Note No 31 to the financial statements. As referred to the said note, the financial statements of the Company for the year ended March 31, 2014 were earlier approved by the Board of Directors at their meeting held on June 05, 2014 which were subject to revision by the Management of the Company so as to give effect to the Scheme of Amalgamation between the Company and Monarch Research and Brokerage Private Limited ('MRBPL') & Monarch Project and Finmarkets Limited ('MPFL') (collectively referred to as "Transferor Companies"). The financial statements of the Company were audited by us and our report dated June 05, 2014, addressed to the members of the Company, expressed an opinion on those financial statements. The financial statements of the "Transferor Companies" were audited by other Auditors & have been relied upon by us while expressing our opinion on the revised financial statements.

(b) We draw attention to Note No 35 of the financial statements, wherein we are unable to quantify the effects on the aforesaid revised financial statements for any difference in accounting policies, if any, between the Company and the Transferor Companies (MRBPL and MPFL).

(c) Apart from the foregoing matters, the attached financial statements do not take into account any events subsequent to the date on which the financial statements referred to in (a) above were earlier approved by the Board of Directors and reported by us as aforesaid.

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, we give in the Annexure a statements 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 notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate affairs in respect of Section 133 of the Companies Act, 2013.
- (e) On the basis of written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Dileep & Prithvi
Chartered Accountants,
Firm Reg. No. 122290W
By the hand of

Pankaj Jain
Partner
M. No. 139559
Place: Mumbai.

Date: 5th June, 2014, [30th November 2014 as to effect the matters discussed under the Emphasis Matters section above.]

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. However, the Company is under process of updating fixed assets register showing full particulars of the fixed assets of the transferor Companies including quantitative details and situation of its fixed assets to give effect of scheme of amalgamation.
 - 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 Market Making 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 ₹ 7,90,51,562 /- and the outstanding balance as on balance sheet date of such loans was Nil.
 With respect to the erstwhile Monarch Project and Finmarkets Limited (MPFL):
 As per the information and explanations given to us, MPFL has granted running loans, secured or unsecured, amounting to ₹ 204.59 crores to six companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Amount outstanding at the year end is ₹ 25.64 lacs only.
 - 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 (three) during the year. The maximum amount involved during the year was ₹ 2,64,56,580/- and the year-end balance of loans taken from such parties was ₹ 36,94,796/-.
 With respect to the erstwhile Monarch Project and Finmarkets Limited (MPFL):
 As per the information and explanations given to us, MPFL has taken loans, secured or unsecured, amounting to ₹ 99.08 crores from six companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Amount outstanding at the year end is ₹69.19 lacs.
 With respect to the erstwhile Monarch Research and Brokerage Private Limited (MRBPL):
 MRBPL has taken loan from the party covered in the register maintained u/s.301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 65.77 crores and the year end balance of loans taken from such parties was Nil.
 - 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:
- 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.
 - Where each of such transactions is in excess of rupees five Lacs in respect of any party, the transactions have been made at prices which appear reasonable as per information available with the company. 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:
- 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 of current financial year 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.
 - 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.
 - 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. 2011-12	First Appellate Authority	₹ 3.43 Lacs	Half of said demand has been paid
Income Tax A.Y. 2009-10	First Appellate Authority	₹ 82.67 Lacs	Demand is for penalty U/s. 271(1)(c) of the Income Tax Act, 1961.

In respect of the erstwhile Monarch Project and Finmarkets Limited (MPFL).

Name of the Statute	Nature of Dues	Amount (₹)	Forum where dispute is pending
Service Tax	Service tax on NSE transaction charges (Period - 01.04.2002 to 31.03.2007)	15,14,474/-	Pending With Service tax Tribunal With Joint Commissioner of Service Tax
Service Tax	Service tax on NSE transaction charges (Period - 01.04.2007 to 31.03.2008)	29,03,936/-	Pending With Commissioner (Appeals) of Service Tax
Service Tax	Service tax on 08) account of mis classification of payment of service tax (For FY: 2007-	10,78,274/-	Pending With Commissioner (Appeals) of Service Tax
Service Tax	Service tax as per audit para for FY 2006-07	3,01,007/-	Superintendent, Service tax, Range XI, Ahmedabad
Income Tax	Income Tax payable as per order of AO for the AY: 2010-11	30,48,207/-	Pending with Commissioner of Income Tax (Appeals) Original Demand - 5,69,110/- Rectification applied - 45,20,903

In respect to the erstwhile Monarch Research and Brokerage Private Limited (MRBPL):

According to the records of MRBPL, there are income tax dues for A.Y.2009-10 ₹ 1,37,444 (Appeal Against Order contingent liability) and for A.Y.2010-11 ₹ 45,500 (Appeal Against Order Contingent Liability) which have not been deposited on account of any dispute. There are no dues of Sales tax, Customs tax/Wealth tax, Excise duty/cess, which have not been deposited on account of any dispute.

- 10) The company has accumulated losses at the end of financial year which are less than fifty percent of its net worth. The company has not incurred any cash losses for the financial year covered by our audit and 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 given 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.
In respect of the erstwhile Monarch Project and Finmarkets Limited (MPFL).
The company has given guarantee for loan taken by related parties aggregating to ₹ 13 crores.
With respect to the erstwhile Monarch Research and Brokerage Private Limited (MRBPL):
The company has given guarantee for loan taken by related parties aggregating to ₹ 3 crores.
- 16) As per information and records furnished before us, the company has not accepted any money in the nature of term loans except, MPFL who has taken term loan and the said loans have been applied for the purpose for which they were obtained.
- 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,
Firm Reg. No. 122290W
By the hand of

Pankaj Jain
Partner
M. No. 139559
Place: Mumbai.

Date: 5th June, 2014 , [30th November 2014 as to effect the matters discussed under the Emphasis Matters section above]



Balance Sheet as at 31st March, 2014

(Figures in ₹)

Particulars	Note No.	As at March 31,2014	As at March 31,2013
A. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	112,316,000	112,316,000
(b) Share Capital to be issued pursuant to the Scheme of Amalgamation	4	190,800,000	-
(c) Reserves and Surplus	5	242,744,858	174,631,363
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long Term Borrowings	6	480,867	-
(b) Other Long term liabilities	7	21,897,277	15,153,732
(c) Long term provisions	8	1,568,815	1,240,251
(4) Current Liabilities			
(a) Short Term Borrowings	9	170,837,359	-
(b) Trade payables	10	518,156,352	350,656,017
(c) Other current liabilities	11	55,466,010	1,510,656
(d) Short-term provisions	12	32,352,178	38,582,692
	Total	1,346,619,716	694,090,711
B. ASSETS			
(1) Non-current assets			
(a) <i>Fixed assets:</i>	13		
(i) Tangible assets		77,558,444	46,294,133
(ii) Intangible assets		11,812,735	12,515,073
(b) Non-current investments	14	107,422,145	93,498,940
(c) Deferred tax assets (net)	15	47,521,028	42,702,800
(d) Long term loans and advances	16	167,603,038	134,224,824
(2) Current assets			
(a) Inventories	17	47,623,032	1,527,545
(b) Trade receivables	18	431,833,236	155,608,721
(c) Cash and Bank balances	19	143,034,330	63,911,337
(d) Short-term loans and advances	20	197,288,481	143,807,339
(e) Other current assets	21	114,923,247	-
	Total	1,346,619,716	694,090,711

Significant Accounting policies

2

The accompanying Notes from 30 to 45 are an integral part of Financial Statements.
As per our report of even date attached.

For Dileep & Prithvi

Chartered Accountants
Firm Reg. No. 122290W

Pankaj Jain
Partner
M.No. 139559
Place : Mumbai
Date : 30th November 2014

S.P. Jain
Chariman

For and on behalf of the Board

Randhir Singh Sisodiya
Executive Director

Dipti Vira
Company Secretary

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

Particulars	Note No.	(Figures in ₹)	
		Year Ended March 31, 2014	Year Ended March 31, 2013
1. Revenue from operations	22	330,751,821	186,815,733
2. Other Income	23	35,621,083	19,965,639
3. Total Revenues (1+2)		366,372,904	206,781,372
4. Expenses:			
(a) Employee benefit expense	24	109,380,071	60,369,508
(b) Operating Expenses	25	108,868,249	65,823,846
(c) Administrative, Selling and Distribution Expenses	26	61,100,065	45,199,469
(d) Financial costs	27	56,542,722	15,477,161
(e) Depreciation and amortization expense	13	30,465,857	16,129,089
(f) Other expenses	28	2,499,525	576,277
Total Expenses		368,856,489	203,575,351
5. Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (3-4)		(2,483,584)	3,206,021
6. Exceptional and Extraordinary Items/ Prior Period Adjustments		(18,001,818)	(298,218)
7. Profit /(Loss) before tax (5+6)		(20,485,402)	2,907,803
8. Tax expense:			
(a) Current tax		49,325	-
(b) Deferred tax		(15,144,648)	(4,883,799)
(c) Short/Excess Provision of tax		1,259,056	-
Total Tax Expense		(13,836,267)	(4,883,799)
9. Profit /(Loss) for the year (7-8)		(6,649,135)	7,791,602
10. Earning per equity share: (Face Value ' 10)	29		
(1) Basic		(0.59)	0.69
(2) Diluted		(0.59)	0.69

Significant Accounting policies

2

The accompanying Notes from 30 to 45 are an integral part of Financial Statements.
As per our report of even date attached.

For Dileep & Prithvi

Chartered Accountants
Firm Reg. No. 122290W

Pankaj Jain
Partner
M.No. 139559
Place : Mumbai
Date : 30th November 2014

S.P. Jain
Chariman

For and on behalf of the Board

Randhir Singh Sisodiya
Executive Director

Dipti Vira
Company Secretary

Cash Flow Statement for the year ended March 31, 2014

(Figures in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	(20,485,402)	3,206,021
<i>Adjustments for</i>		
Depreciation	30,465,857	16,129,089
Gratuity Provision	(812,424)	814,779
Preliminary/Share Issue Exp. Written off	-	-
Provision for Diminution in Value of Investment	-	-
Finance Expenses	56,542,722	15,477,161
Loss on assets sold/discarded	1,544,513	341,917
Provision for Doubtful Debts	-	5,775,000
Dividend Received	(65,949)	(68,406)
Interest Received	(13,487,730)	(9,749,284)
<i>Operating profit before working capital changes</i>	53,701,587	31,926,277
<i>Adjustments for</i>		
Decrease (Increase) in Trade and other Receivables	(490,724,391)	100,257,735
Increase (Decrease) in Trade Payable and Provisions	387,089,922	(116,513,116)
<i>Cash Generated from operations</i>	(49,932,882)	15,670,896
Income Tax Paid For The Year	-	-
Prior Period Items	18,001,818	(298,218)
Net Cash From Operating Activities	(31,931,065)	15,372,678
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(17,524,961)	(8,983,694)
Sale of Fixed Assets	120,318,427	484,243
Interest Received	13,487,730	9,749,284
Dividend Received	65,949	68,406
Net Cash from Investing Activities	116,347,145	1,318,239
C. Cash flow From Financing Activities		
Finance Expenses	(56,542,722)	(15,477,161)
Loan Funds	7,552,976	(1,371,912)
Net Cash used in Financing Activities	(48,989,746)	(16,849,073)
<i>Net Increase in Cash & Cash Equivalents</i>	35,426,335	(158,156)
<i>Opening Balance of Cash & Cash Equivalents</i>	107,607,995	64,069,493
<i>Closing Balance of Cash & Cash Equivalents</i>	143,034,330	63,911,337

Notes :

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

The accompanying Notes from 30 to 45 are an integral part of Financial Statements.
As per our report of even date attached.

For Dileep & Prithvi

For and on behalf of the Board

Chartered Accountants
Firm Reg. No. 122290WPankaj Jain
Partner
M.No. 139559
Place : MumbaiDate : 30th November 2014S.P. Jain
CharimanRandhir Singh Sisodiya
Executive DirectorDipti Vira
Company Secretary

NOTES FORMING PARTS OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014.**Note:1.CORPORATE INFORMATION**

Networkth 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 (CDSL) and National Securities Depository (India) Limited (NSDL). The company also provides Merchant Banking and Market Maker Services.

Pursuant to the scheme of Amalgamation approved by the Hon'ble High Court of Gujarat on May 03, 2013 for Monarch Research and Brokerage Private Limited ('MRBPL') and subsequently by the Hon'ble High Court Mumbai on August 07, 2014, for Monarch Project and Finmarkets Limited ('MPFL'), MRBPL and MPFL have been amalgamated with the company from the appointed date i.e. 1st April, 2010. The scheme of amalgamation became effective as on October 15, 2014. The Amalgamation has enabled appropriate consolidation of the activities of NSBL, MRBPL and MPFL, with pooling and more efficient utilization of resources, greater economies of scale, reduction in overheads and expenses and improvement in various operating parameters.

Pursuant to the Scheme of amalgamation all the assets and liabilities of the Transferor companies has been vested in the Company which includes Security Deposits as Member of various Exchanges under various segments, Intermediaries and Secured Term liabilities etc. The Company is in the process of initiating the Scheme of Amalgamation for transferring all assets/ liabilities in the name of the Company which are presently in the name of the respective Transferor Companies.

Note : 2. SIGNIFICANT ACCOUNTING POLICIES**a) Accounting for Amalgamation**

For the year under review, the financial statements have been prepared in accordance with Accounting Standard 14 (AS-14) - relating to Accounting for Amalgamations "The Pooling of Interests Method".

The Pooling of Interests Method

Under the pooling of interests method, the assets, liabilities and reserves of the transferor companies (MRBPL and MPFL) have been recorded by the transferee company (NSBL) at their existing carrying amounts.

The amalgamation being in the nature of merger, the identity of the reserves has been preserved and the reserves appear in the financial statements of the transferee company (NSBL) in the same form in which they appeared in the financial statements of the transferor companies (MRBPL and MPFL).

As a result of preserving the identity, reserves which are available for distribution as dividend before the amalgamation would also be available for distribution as dividend after the amalgamation. The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the transferor companies (MRBPL and MPFL) have been adjusted.

b) 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.

c) 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.

d) Revenue Recognition

Brokerage Income is recognised on the trade date. Subscription income for convenient brokerage plans is recognised on the basis of expiry of 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.

e) 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.

f) 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 Rs.5,000 has been depreciated in full in the year of purchase.

g) 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.

h) Inventories

Stock in trade of the Transferee Company (NSBL) 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. (Previous year cost or market value, whichever is lower).

Stock in trade of the Transferor Company (MRBPL) has been valued at cost. Stock in trade of the Transferor Company (MPFL) has been valued at cost or market price whichever is lower.



- i) **Employee Benefits**
Transferee Company
 Contribution to defined contribution scheme such as provident fund, is charged to the statement of profit & 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 actuarial value.
 Transferor Company (MPFL) has provided provision in the books of account with respect to the retirement benefits of the employees as per the guidelines provided by The payment of Gratuity Act, 1972.
- j) **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.
- k) **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.
- l) **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.
- m) **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.
- n) **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.
- o) **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.
- p) **Segment Reporting**
 During the year under consideration, the Transferee Company (NSBL) 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.
 During the year under consideration, the Transferor Company (MPFL) has two segments namely, Capital Market (CM) Segment, Depository Participant (DP) segment. As the DP 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.
 During the year under consideration, the Transferor Company (MRBPL) has two segments namely, Capital Market (CM) Segment, Portfolio Management segment (PMS). As the PMS 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:**

Particulars	(Figures in ₹)	
	As at March 31, 2014	As at March 31, 2013
Authorised Share Capital		
5,00,000 - 6% Cumulative Redeemable Preference Shares of ₹100/- Each (P.Y. 5,00,000)	50,000,000	50,000,000
1,25,00,000 Equity Shares of ₹ 10/ each Previous Year (1,25,00,000)	125,000,000	125,000,000
	175,000,000	175,000,000
Issued Subscribed & Paid up Share Capital		
1,12,31,600 Equity Shares of ₹ 10/- each (Previous Year 1,12,31,600)	112,316,000	112,316,000
	112,316,000	112,316,000

Pursuant to the scheme of Amalgamation the Authorised Capital is a follows:

Particulars	Post Amalgamation
Authorised Share Capital	
5,00,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- Each	50,000,000
60,00,000 - Preference Shares of ₹ 10/ each	60,000,000
3,05,00,000 Equity Shares of ₹ 10/ each	305,000,000
	415,000,000

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	11,231,600	112,316,000	11,231,600	112,316,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	11,231,600	112,316,000	11,231,600	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, 2014 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, 2014		As at March 31, 2013	
	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	3,292,137	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 Share Capital to be issued pursuant to the Scheme of Amalgamation**

	(Figures in ₹)
Share Capital of transferor companies	110,000,000
Transferred from Securities Premium Account	80,800,000
	190,800,000

As per the Scheme of Amalgamation the Company was required to issue 1,90,80,000 equity shares of face value of ₹ 10/- per share aggregating ₹ 19,08,00,000/- to the shareholders of the erstwhile Transferor Companies MRBPL and MPFL. The Company has allotted 1,90,80,000 equity shares aggregating to ₹ 19,08,00,000/- to the shareholders of the erstwhile MRBPL and MPFL on October 27, 2014. Hence, as on the date of Balance Sheet, the same has been shown as Share Capital to be issued pursuant to the Scheme of Amalgamation.

Note 5 Reserves & Surplus

Particulars	As at March 31, 2014	(Figures in ₹)
		As at March 31, 2013
a. Capital Reserves		
Opening Balance	15,163,560	15,163,560
Closing Balance	15,163,560	15,163,560
b. Securities Premium Account		
Opening Balance	380,644,386	380,644,386
Less: Amount transferred to Share Capital to be issued pursuant to the Scheme of Amalgamation	80,800,000	-
Less: Amount transferred		
Amalgamation Reserve Account	3,191,490	-
Closing Balance	296,652,896	380,644,386
c. Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	(221,176,583)	(228,968,185)
Add: Surplus of Transferor Company MPFL	99,150,385	
Add: Surplus of Transferor Company MRBPL	28,323,495	
(+/-) Net Profit/(Loss) For the current year	(8,560,385)	7,791,602
Closing Balance	(102,263,088)	(221,176,583)
d. Amalgamation Reserve Account		
Transferred from Capital Reserve of Erstwhile MPFL	30,000,000	-
Transferred from Securities Premium Account	3,191,490	-
	33,191,490	-
Total	242,744,858	174,631,363

Refer Note 33 for Accounting Treatment in the books pursuant to the Approved Scheme of Amalgamation.

Note 6 Long-Term Borrowings

Secured, Considered Good unless stated otherwise
Of the Erstwhile Monarch Projects and Finmarkets Ltd.

(a) Loan from NBFC (Secured against hypothecation of Vehicle)	480,867	-
Total	480,867	-

- (a) Loan from NBFC of ₹ 4,80,867/- of the erstwhile Monarch Projects and Finmarkets Limited has been taken from Kotak Mahindra Prime Ltd. The loan has been secured by way of Hypothecation of Vehicles.
Aforesaid loan is classified as long Term Borrowings to the extent to which it is not of current nature i.e. which are due to be settled after 12 months and current maturities of long term borrowings is classified as other current liabilities.

Note 7 Other Long-Term Liabilities

Particulars	As at March 31, 2014	(Figures in ₹)
		As at March 31, 2013
Security Deposit from Business Associates	21,897,277	15,153,732
Total	21,897,277	15,153,732

Note 8 Long-Term Provisions

Provision for Gratuity	1,568,815	1,240,251
Total	1,568,815	1,240,251

Note 9 Short Term Borrowings

Particulars	As at March 31, 2014	(Figures in ₹)
		As at Marh 31, 2013
Secured, Considered Good unless stated otherwise Of the Erstwhile Monarch Projects and Finmarkets Ltd		
(a) Overdraft from HDFC Bank (Secured against hypothecation of Office premises & Securities, and Personal guarantee of Key Management of MPFL)	76,076,441	-
(b) Loan from Kotak Mahindra Prime Limited* (secured against hypothecation of Vehicle)	215,949	-
(c) Unsecured Loans from shareholders of erstwhile MPFL (Other than promoter group) Of the Erstwhile Monarch Research and Brokerage Pvt Ltd.	3,000,000	-
(d) Loan from NBFC*	91,544,969	-
Total	170,837,359	-

*Loan from NBFC of Rs 9,15,44,969/- of the erstwhile Monarch Research and Brokerage Private Limited has been taken from Aditya Birla Finance Limited .The loan has been secured by Equity shares.

Note 10 Trade Payables

Particulars	(Figures in ₹)	
	As at March 31, 2014	As at March 31, 2013
Sundry Creditors - Clients	368,764,265	186,603,253
Sundry Creditors - Others	15,612,096	7,908,791
Banks & Financial Institutions	133,779,991	156,143,973
Total	518,156,352	350,656,017

- a. 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.
- b. Sundry creditors - others includes an amount of Rs. 5,66,164/- payable to subsidiary.

Note 11 Other Current Liabilities

Particulars	(Figures in ₹)	
	As at March 31, 2014	As at March 31, 2013
(a) Unpaid dividends	143,811	144,203
(b) Statutory Remittances	6,056,501	1,258,481
(c) Payable for common infra.	49,199,695	107,972
(d) Other Current Liabilities	66,003	-
Total	55,466,010	1,510,656

Note 12 Short Term Provisions

(a) Provision for employee benefits Salary & Reimbursements	3,477,093	4,234,685
(b) Others		
Provision for Income Tax	18,164,000	12,594,000
Provision for Fringe Benefit Tax	-	15,467,407
Provision for Wealth Tax	-	51,744
Expenses payable outstanding	4,584,864	2,784,880
Provision for Gratuity	5,473,113	3,449,976
Others	653,108	-
Total	32,352,178	38,582,692

Note 14 Non-current Investments

Particulars	As at 31 March 2014		As at 31 March 2013	
	Numbers	Amount ₹	Numbers	Amount ₹
Non Trade Investments				
Unquoted				
(a) In Life Insurance policies	-	452,623	-	452,623
(b) In National Saving Certificates	-	4,000	-	4,000
(d) In Equity Shares - Fully Paid up Bombay Stock Exchange Limited	11,401	877	11,401	877
(e) In Equity Shares of Subsidiaries- Fully Paid up				
Network Commodities & investment Ltd.	1,400,100	20,001,000	1,400,100	20,001,000
Network SoftTech Ltd.	-	-	50,000	500,000
Network Wealth Solutions Ltd	1,000,000	10,000,000	1,000,000	10,000,000
Ravisha Financial Services Pvt. Ltd	4,999,900	62,922,205	4,999,900	62,922,205
Network Insurance Broking Pvt Ltd	10,000	100,000	10,000	100,000
Of the Erstwhile MPFL				
- Monarch Insurance Broking Private Limited	499,000	4,999,000	-	-
(f) In Equity Shares of Associate Concern- Fully Paid up				
Network Financial Services Ltd.	949,400	9,494,000	949,400	9,494,000
Network SoftTech Ltd.	50,000	500,000	-	-
Quoted				
(a) Investments in Equity Shares - Fully Paid up Sadbhav Engeneering Ltd.	1,310	24,235	1,310	24,235
Of the Erstwhile MPFL				
- Indiabulls Limited	229,000	7,041,750	-	-
- NTPC Limited	2,000	414,500	-	-
- Power Grid Limited	13,700	1,467,955	-	-
Total		117,422,145		103,498,940
Less : Provision for diminution in the value of Investments		10,000,000		10,000,000
Total		107,422,145		93,498,940

- Note : a. During the year the Company has not invested in any subsidiaries.
- b. During the year Networkworth Softech Ltd. Increased their equity share capital by inviting capital from investors not part of the group. Subsequent to increase in capital the shareholding of our company was reduced to less than 5 percent, Hence, Network Softech Ltd. ceased to be subsidiary of our company.

(Figures in ₹)

Particulars	Gross Block			Accumulated Depreciation & Amortization			Net Block		
	As at 01/04/2013	Additions	Deletions/ Adjustments	As at 31/03/2014	As at 01/04/2013	Additions	Deletions	As at 31/03/2014	As at 31/03/2013
1 Tangible asset									
a Improvement to Lease Assets	24,592,046	-	4,980,210	19,611,836	11,581,710	2,597,357	3,542,284	8,975,053	13,010,336
b Office Premises	68,099,947	1,146,877	69,246,824	-	3,985,423	1,116,614	5,102,037	-	-
c Air Conditioners	16,032,745	-	176,350	15,856,395	4,186,606	757,296	67,601	10,980,094	4,777,499
d Computer	93,730,643	7,954,110	954,419	100,730,334	67,027,096	10,532,943	903,150	24,073,445	11,036,746
e Furniture & Fixtures	99,153,238	3,025,192	68,338,256	33,840,174	22,010,700	6,374,755	13,813,771	19,268,490	11,984,669
f Vehicles	14,113,190	-	-	14,113,190	6,814,262	1,313,382	-	5,985,546	671,203
g Office Equipment	10,213,451	851,985	74,455	10,990,981	2,247,054	491,355	23,244	8,275,816	4,813,680
Total - 1	325,935,260	12,978,164	143,770,514	195,142,910	117,852,851	23,183,702	23,452,087	77,558,444	46,294,133
2 Intangible Assets									
a Computer Software	46,764,156	4,546,797	-	51,310,953	32,216,059	7,282,158	-	11,812,735	12,515,073
Total - 2	46,764,156	4,546,797	-	51,310,953	32,216,059	7,282,158	-	11,812,735	12,515,073
Grand Total (1 + 2)	372,699,416	17,524,961	143,770,514	246,453,863	150,068,910	30,465,860	23,452,087	89,371,179	58,809,206
Previous Year	133,810,612	8,983,694	2,940,356	139,853,950	67,029,853	16,129,089	2,114,198	58,809,206	

Note 15 Deferred Tax Assets (Net)

Particulars	(Figures in ₹)	
	As at March 31, 2014	As at March 31, 2013
Deferred Tax Liabilities		
Difference of Net Block of Assets	498,807	(4,994,927)
Deferred Tax Assets		
Provision for doubtful debts	20,791,855	20,791,855
Provision for Diminution in Value of Investment	2,040,000	2,040,000
Provision for Gratuity	2,175,956	1,449,280
Unabsorbed Depreciation	22,014,410	23,416,591
Deferred Tax Assets (Net)	47,521,028	42,702,800

* The Company has recognized deferred tax assets as at March 31, 2014 of ₹ 4,75,21,028/- taking into consideration individual DTA/DTL calculations of the Transferor Companies. 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 items as shown herein above that results in a net deferred tax asset.

Note 16 Long-term Loans and advances**Unsecured considered good unless stated otherwise :****a. Security Deposits**

Deposit with Stock Exchange & Financial Institutions		
- Networth Stock Broking Private Limited	31,179,450	31,789,212

Erstwhile

- Monarch Projects and Finmarkets Limited	15,963,082	
- Monarch Research and Brokerage Private Limited	9,625,000	

b. Balance with Revenue Authorities

Advance Income Tax & Service Tax - NBSL	40,450,018	38,586,401
Advance Income Tax & Service Tax of erstwhile MRBPL		12,402,066
Advance Fringe Benefit Tax	2,058,456	17,549,927
Advance Wealth Tax	-	51,744

c. Other Deposits

Deposits for Arbitration Order of erstwhile MPFL		1,030,831
Deposits for PMS of the erstwhile MRBPL	1,100,000	
Deposits for Office Premises - NSBL	43,922,788	44,117,143
Deposits for Office Premises -MPFL	1,808,493	
Deposits for Telephone, VSAT, Electricity etc.- NBSL	112,854	2,130,397
Deposits for Telephone, VSAT, Electricity etc.- MPFL		450,000
Other Deposits (F.D. With Bank) - MRBPL	7,500,000	

Total**167,603,038****134,224,824****Note 17 Inventories**

Particulars	As at March 31, 2014	As at March 31, 2013
Stock in Trade* - NSBL	42,507,282	1,527,545
Stock in Trade - MRBPL	2,038,360	
Stock in Trade - MPFL	2,998,900	
Franking Balance on Hand - MPFL	72,500	-
Stock of Stamp- MPFL	5,990	-
Total	47,623,032	1,527,545

* Stock in trade represents shares held as on balance sheet date at valued at cost being shares held by virtue of acting as a merchant banker and market maker for the acquired equity shares. 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 18 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	47,993,719	42,339,612
-considered doubtful**	74,573,314	67,287,557
Sub-total	122,567,033	109,627,169
Others		

		(Figures in ₹)
-considered good #	376,553,760	113,269,109
Provision for doubtful receivables**	(67,287,557)	(67,287,557)
Total	431,833,236	155,608,721

In erstwhile MPFL - Outstanding more than six months figure cannot be determined exactly as client has been continuously trading and maintaining running account therefore, the same has not been separately presented.

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

Note 19 Cash and Bank balances

a. Cash on hand	4,635,095	693,274
b. Balances with Banks:		
In Earmarked Balances	143,061	143,339
In Current Account	55,233,648	27,556,345
Balances held as margin money deposits against guarantees*	50,000,000	27,500,000
Fixed Deposits held as Security Deposit -NSBL	21,263,064	8,018,379
Fixed Deposits held as Security Deposit - MPFL (Fixed Deposit against membership deposit Rs. 50 Lacs)	11,759,462	
	138,399,235	63,218,063
Total	143,034,330	63,911,337

Note 20 Short-term loans and advances

Particulars	As at March 31, 2014	As at March 31, 2013
Advances to Staff	2,424,307	988,645
Advances to Suppliers	1,247,408	2,324,990
Prepaid Expenses	6,013,488	3,091,919
Advances to Subsidiary	696,649	352,725
Receivables from Clients	359,008	-
Accrued Interest on F.D.	2,701,164	-
Additional Base Capital with Clearing member	45,400,000	-
Other Loans & Advances	138,446,457	137,049,060
Total	197,288,481	143,807,339

Note 21 Other Current assets Of the erstwhile MPFL

MAT Receivable	778,538	-
Income Tax refundable	20,544,709	-
Receivables against sale of property	93,600,000	-
Total	114,923,247	-

Note 22 Revenue from Operations

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Income From Operation:		
Brokerage & Related income	326,197,093	183,878,744
IPO Brokerage Commission	109,728	-
Merchant Banking income	4,445,000	2,936,989
Total	330,751,821	186,815,733

Note 23 Other Income

Dividend Income	65,949	68,406
Interest Received On Fixed Deposits	13,487,730	9,749,284
Interest Received On Income Tax Refund	-	4,240,239
DP Colateral Charges	1,713	-
Odin & Diet User Charges	271,000	-
Penalty Charges Recovered	430,182	-
BSE Derivative Incentive	566,940	-
Assets Usage Charges	3,195,950	-
Profit on Trading of Shares	17,827,110	1,625,331
Bad Debts Recovered	558,686	-
Sundry Balance W/off (Net)	(784,177)	4,282,379
Total	35,621,083	19,965,639

(Figures in ₹)

Note 24	Employee Benefit expense		
	Salaries & Wages	112,488,159	68,475,188
	Contribution to Provident & other funds*	3,442,593	4,293,346
	Performance Incentive	964,828	
	Staff Welfare	3,806,288	2,069,982
	Directors' Remuneration	8,253,660	1,890,660
	Recovery of Expenses **	(19,575,456)	(16,359,668)
	Total	109,380,071	60,369,508

* The Company recognises and accrues the employee benefit as per Accounting Standard (AS) – 15 on "Employee Benefits" the disclosures of which are as under:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Actuarial Assumptions		
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	LIC (94-96) Ult.
Discount rate	9.1%	8%
Rate of return (expected) on plan assets	7.0%	11.2%
Rate of increase in compensation previous year	4.0%	4%
Rate of increase in compensation current year	5.1%	4%
Changes in present value of obligations		
Obligation at the beginning of the year	4,690,227	3,875,448
Interest Cost	361,607	284,943
Current Service Cost	863,816	1,126,896
Past Service Cost	-	-
Benefit paid	(340,291)	(627,326)
Actuarial (gain) / Loss on obligations	1,107	30,266
Liability at the end of the year	5,576,466	4,690,227
Changes in fair value of plan assets		
Fair value of plan Assets at the beginning of the year	1,240,251	1,367,577
Fair value of plan Assets at the end of the year	1,699,053	1,240,251
Opening net liability	-	2,507,871
Adjustment to opening balance	(725,354)	-
Expense as above	1,152,791	1,442,105
Contribution paid	-	(500,000)
Closing net Liability	427,437	3,449,976

Note : The above calculation of Employee Benefits has been done by an independent Actuary and it does not include the calculations of the Transferor Companies, if any.

Note 25	Operating Expenses		
	Demat Charges	3,487,680	2,014,343
	Sub Brokerage & Commission Expenses	84,928,490	46,535,299
	Stamping Charges	419,051	270,968
	Penalty Account - BSE	18,712	
	Auto D.O. Charges	14,607	
	Exchange Expenses	1,483,691	289,027
	Investors Protection Fund	4,655	
	Connectivity Charges	10,172,350	8,409,428
	Insurance Charges (Exchanges)	572,159	563,946
	Membership Fees & Subscription	1,197,227	969,554
	Software Charges	6,569,626	6,771,280
	Total	108,868,249	65,823,846

Note 26 Administrative Selling and Distribution Expenses

Particulars	(Figures in ₹)	
	Year Ended March 31, 2014	Year Ended March 31, 2013
Administration expenses		
Legal & Professional Charges	9,956,540	4,241,439
Telephone/Communication Charges	5,200,492	3,569,974
Electricity Charges	10,476,713	6,852,879
Rent Rates & Taxes	28,103,949	26,938,805
Municipal Taxes	1,078,205	43,114
Repairs & Maintenance	5,058,132	2,975,776
Insurance Charges	-	10,700
Postage & Courier Charges	3,234,111	3,823,346
Conveyance & Travelling	4,327,565	1,807,029
Printing Stationery & Xerox Charges	2,681,520	1,904,830
Provident Fund Administrative Charges	208,510	221,317
Profession Tax	24,568	31,135
Provision for Doubtful Debts	-	5,775,000
Share Registrar's Charges	36,000	51,795
Office expenses	2,596,391	2,166,500
Vehicle Expenses	76,426	-
Staff Recruitment Expenses	372,340	26,240
Sauda Difference	15,100	-
Auditors' Remuneration	810,000	550,000
Recovery of Expenses **	(15,271,764)	(17,082,649)
Selling & Distribution Expenses		
Advertisement	208,540	169,026
Business Promotion Expenses	1,906,728	1,123,213
Total	61,100,065	45,199,469

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

Note 27 Financial Costs

Interest On Bank OD & Fin. Inst.	52,624,212	14,596,934
Interest On Car Loan	96,841	
Bank Guarantee Charges	1,872,800	508,126
Bank & Fin. Institution charges	366,199	238,658
Interest on Late Payment of TDS	305,726	-
Other Interest	1,276,944	133,444
Total	56,542,722	15,477,161

Note 28 Other Expenses

Bad debts/Sundry Balance written off	667,215	219,360
Loss on Assets sold / discarded	1,544,513	341,917
Other Expenses	67,612	-
Charity & Donations	220,185	15,000
Total	2,499,525	576,277

Note 29 Earning Per Share

(Figures in ₹)

Particulars		Year Ended March 31, 2014	Year Ended March 31, 2013
Basic EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	(6,649,135)	7,791,602
Weighted Average Number of Shares Subscribed (Basic)	B	11,231,600	11,231,600
Basic EPS	A/B	(0.59)	0.69
Diluted EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	(6,649,135)	7,791,602
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	(0.59)	0.69

Due to impact of the scheme of merger between Company & amalgamating Companies, there is share capital of 1,90,80,000 number of equity shares which are to be allotted to amalgamating Companies. If these shares would have been allotted, it results in total equity capital of 3,03,11,600 no.of Equity shares and resultant fully diluted EPS would have been ₹ -0.22

Note 30 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	Nil	Nil
Foreign Currency Inflow	10,148	62,945

• Directors Remuneration

Director Remuneration	1,890,660	1,890,660
Directors Remuneration of erstwhile MPFL & MRBPL	6,363,000	-
Director Sitting fees	-	-

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	670,000	425,000
For Tax Audit	140,000	125,000

Total**810,000****550,000****Note 31** Pursuant to the scheme of Amalgamation in the nature of merger between the Company and Monarch Research and Brokerage Private Limited ('MRBPL') & Monarch Project & Finmarkets Limited on a going concern basis consisting of all the assets and liabilities pertaining to the transferor companies being approved by shareholders of both the companies and subsequently approved by the Hon'ble High Courts, the scheme has been given effect to, in this financial statements and accordingly:

- The Financial Statements for the year ended 31st March, 2014 which were earlier approved by the Board of the Directors on 5th June, 2014 and audited by the Statutory Auditors of the company have been revised.
- All assets and liabilities pertaining to the transferor companies stand transferred to and vested in the company as a going concern at carrying values as disclosed in the financial statements of transferor companies.

Note 32 Scheme of Amalgamation

The scheme of Amalgamation between Monarch Research and Brokerage Private Limited ('MRBPL') and Networth Stock Broking Limited was approved by the Hon'ble High Court of Gujarat on May 03, 2013 and the scheme of Amalgamation between Monarch Projects and Finmarkets Limited (MPFL) and Networth Stock Broking Limited was approved by the Hon'ble High Court Mumbai on August 07, 2014.

Pursuant to the scheme of Amalgamation between Monarch Research and Brokerage Private Limited ('MRBPL') and Monarch Projects and Finmarkets Limited (MPFL) with Networth Stock Broking Limited the assets and liabilities of the erstwhile transferor companies was transferred to and vested in the company with effect from the 1st April, 2010 being the appointed date, the scheme has been given effect to these accounts in current financial year.

As per the Scheme of Amalgamation the Company was required to issue 1,90,80,000 equity shares of face value of ₹ 10/- per share aggregating ₹ 19,08,00,000/- to the shareholders of the erstwhile Transferor Companies MRBPL and MPFL. The Company has allotted 1,90,80,000 equity shares aggregating to ₹ 19,08,00,000/- to the shareholders of the erstwhile MRBPL and MPFL on October 27, 2014. Hence, as on the date of Balance Sheet, the same has been shown as Share Capital to be issued pursuant to the Scheme of Amalgamation.

Note 33 Disclosures in accordance with Accounting Standard -14

(a) Name and Nature of Business of Amalgamation Companies:

Name of the Company	Nature of Business
Networth Stock Broking Limited	Stock Broking, Depository and Merchant Banking Services
Monarch Research and Brokerage Private Limited (MRBPL)	Stock Broking and Portfolio Management Services
Monarch Projects and Finmarkets Limited (MPFL)	Stock Broking and Depository Participant

(b) Method of accounting used to reflect the amalgamation

The Pooling of Interests Method

(c) Particulars of the scheme sanctioned under a statute

(d) The scheme has envisaged an exchange ratio as under:

- MPFL - 201 (Two Hundred and One) Equity Shares of ₹. 10/- each of NSBL for every 100 (One Hundred) Equity Share of ₹.10/- each held in MPFL.

- MRBPL - 100 (One Hundred) Equity Shares of ₹. 10/- each of NSBL for every 100 (One Hundred) Equity Share of ₹.10/- each held in MRBPL.

Note 34 ACCOUNTING TREATMENT ON AMALGAMATION

The accounting for Amalgamation has been done in accordance to the approved Scheme of Amalgamation clause no 14 - "Accounting Treatment". Accordingly, the Company has accounted for the Scheme in its book of Accounts as under:

- The reserves in the books of account of the Transferor Companies have been credited by the Transferee Company to its reserves in the same form in which they appear in the books of the Transferor Companies.
- The amount lying to the balance of "Profit and Loss Account" in the books of account of the Transferor Companies has been adjusted by the Transferee Company to its Profit and Loss Account.
- The Excess amount of ₹ 3,31,91,490/- resulting on account of amalgamation has been transferred to "Amalgamation Reserve Account". The said account has not been considered as a free reserve as provided u/s 2(29A) of the Companies Act, 1956 as directed by the Honourable High Court, Mumbai.
- As per the Scheme of Amalgamation the Company was required to issue 1,90,80,000 equity shares of face value of ₹ 10/- per share aggregating ₹ 19,08,00,000/- to the shareholders of the erstwhile Transferor Companies MRBPL and MPFL. The Company has allotted 1,90,80,000 equity shares aggregating to ₹ 19,08,00,000/- to the shareholders of the erstwhile MRBPL and MPFL on October 27, 2014. Hence, as on the date of Balance Sheet, the same has been shown as Share Capital to be issued pursuant to the Scheme of Amalgamation, details as under:

Share Capital of transferor companies	110,000,000
Transferred from Securities Premium Account	<u>80,800,000</u>
	<u><u>190,800,000</u></u>

- The difference between the book value of net assets taken over and the value of shares issued after accounting for the cancellation if any have been adjusted to the Securities Premium Account.
- The application and reduction of the Share Premium Account has been effected as an integral part of the Scheme without having to follow the process under the provisions of Section 78 and Section 100, 102 and 103 of the Act. Such application/ reduction of the Share Premium account does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The order of the Court sanctioning the Scheme under Section 394 of the Act is deemed to be an order under Section 102 of the Act confirming the reduction and the compliance by the Transferee Company of the provisions of Section 391-394 of the Act shall be deemed to be the sufficient compliance of the provisions of Section 100 to 103 of the Companies Act, 1956, rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions, if any, relating to the reduction of share capital.

Note 35 The effects on the financial statements of the Amalgamated Company for any difference in accounting policies between the Transferee Company (NSBL) and the Transferor Companies (MRBPL and MPFL) have not been quantified.

Note 36 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 37

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:

- The Income tax demand outstanding upto the assessment years 2011-12 is ₹ 63.70 Lacs (previous year ₹83 Lacs). Based on the information available, 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 ₹ 318 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 Nil) for loan taken by its Subsidiary Company Ravisha Financial Services Private Limited from financial institutions.

Contingent Liabilities of erstwhile Transferor companies:**MRBPL:**

- Bank Gurantee ₹ 300 Lacs
- The Commissioner of Service tax, Ahmedabad has issued show cause for claiming wrong exemption/exclusion of NSE/BSE transaction charges, SEBI fees etc. .The total demand for the said show cause notice is ₹ 6,76,405/- No liability has been provided as the liabilities is contingent in nature.
- The Assistant Commissioner of Income Tax, Ahmedabad has issued order dated 13/03/2013, disallowed Bad Debts of ₹ 3,80,037/- for A. Y. 2009-10. The total demand for the said order u/s 143(3) is ₹ 1,37,444/- and the company has filed appealed against the said order. no liabilities has been provided as the liabilities is contingent in nature
- The Assistant Commissioner of Income Tax, Ahmedabad has issued order dated 21/12/2011, disallowed Bad Debts of ₹ 11,27,093/- for A. Y. 2010-11. The total demand for the said order u/s 143(3) is ₹ 45,500/- And the assessee has filed appealed against the said order. no liabilities has been provided as the liabilities is contingent in nature.

MPFL:

(Figures in ₹)

Particulars	As at Mar 31, 2014
Service Tax matters pending with various authorities	5,797,691
Bank Guarantee	30,000,000
Income Tax matters under appeal	3,048,207
Inter Corporate Guarantee	100,000,000
Total	138,845,898

Note 38**Related Party Disclosure of NSBL****(a) List of Related Parties and Relationship**

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Networth Commodities & Investments Ltd.	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 Executive Officer/Director (Resigned on 23rd June, 2014)
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
Sun Capital Advisory Services Private Limited	

(b) Transaction with the Related Parties

(Figures in ₹)

Particulars		Subsidiaries	Associate Company	Key Management Personnel	Others	Total
Revenue Received	CY	35,829,840	-	-	800,000	36,629,840
	PY	36,441,829	-	-	-	36,441,829
Rendering of Services	CY	6,000,000	-	1,890,660	6,000,000	15,690,660
	PY	12,720,000	-	1,890,660	-	14,610,660
Sale of Assets	CY	-	-	-	-	-
	PY	30,000,811	-	-	-	30,000,811
Loan Given	CY	403,264,539	-	-	-	403,264,539
	PY	90,000,000	-	-	-	90,000,000
Outstanding Balance included in current liabilities	CY	-	8,834	-	-	8,834
	PY	-	17,023,762	-	-	17,023,762
Outstanding Balance included in current assets	CY	817,146	-	-	-	817,146
	PY	352,725	-	-	-	352,725

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

Note 39 Disclosure as per Clause 32 of the listing Agreement with the Stock Exchanges

(Figures in ₹)

Particulars	Relationship		Amount outstanding as at March 31, 2014	Maximum balance outstanding during the year
Networth Commodities & investment Ltd.	Subsidiary	CY	-	8,049,811
		PY	-	11,400,000
Networth Wealth Solutions Ltd	Subsidiary	CY	-	380,000
		PY	-	114,150,000
Ravisha Financial Services Pvt. Ltd	Subsidiary	CY	-	70,621,751
		PY	-	65,099,300
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 40 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 41 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 42 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 43 There are no Capital commitments which is outstanding as on Balance Sheet date (previous year Nil).

Note 44 Events Occurring After the Balance Sheet Date

To the best of knowledge of the management, apart from the Accounting for Scheme of Amalgamation 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 45 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

Previous Years figures are pre Amalgamation figures of Networth Stock Broking Limited and current years figures are post Amalgamation figures of Networth Stock Broking Limited, hence previous years figures are not comparable with current year figures.

As per our report of even date attached.

For Dileep & Prithvi

For and on behalf of the Board

Chartered Accountants
Firm Reg. No. 122290W

Pankaj Jain

Partner
M.No. 139559
Place : Mumbai

Date : 30th November 2014

S.P. Jain

Chariman

Randhir Singh Sisodiya

Executive Director

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 2014, 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. 40 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, 2014;
- (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.

Emphasis of Matter on event occurring after the balance sheet date -

- (a) We draw attention to Note No 29 to the financial statements. As referred to the said note, the financial statements of the Company for the year ended March 31, 2014 were earlier approved by the Board of Directors at their meeting held on June 05, 2014 which were subject to revision by the Management of the Company so as to give effect to the Scheme of Amalgamation between the Company and Monarch Research and Brokerage Private Limited ('MRBPL') & Monarch Project and Finmarkets Limited ('MPFL') (collectively referred to as "Transferor Companies"). The financial statements of the Company were audited by us and our report dated June 05, 2014, addressed to the members of the Company, expressed an opinion on those financial statements. The financial statements of the "Transferor Companies" were audited by other Auditors & have been relied upon by us while expressing our opinion on the revised financial statements.
- (b) We draw attention to Note No 33 of the financial statements, wherein we are unable to quantify the effects on the aforesaid revised financial statements for any difference in accounting policies, if any, between the Company and the Transferor Companies (MRBPL and MPFL).
- (c) Apart from the foregoing matters, the attached financial statements do not take into account any events subsequent to the date on which the financial statements referred to in (a) above were earlier approved by the Board of Directors and reported by us as aforesaid.

Other Matters

6. We did not audit the financial statements and other financial information of subsidiaries, Transferor Companies and associates whose financial statements reflect total assets (net) of ₹ 15,18,85,537/- as at March 31, 2014, total revenues of ₹ 46,190,044/- and net cash outflows of ₹ 8,247,694/- 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 Transferor Companies/ associates/ subsidiaries, are based solely on the report of the other auditors.

For Dileep & Prithvi
Chartered Accountants,
Firm Reg. No. 122290W
By the hand of

Pankaj Jain
(Partner)
M. No. 139559
Place: Mumbai.

Date: 5th June, 2014, [30th November 2014 as to effect the matters discussed under the Emphasis Matters section above.]

Consolidated Balance Sheet as at 31st March, 2014

(Figures in ₹)			
Particulars	Note No.	As at March 31,2014	As at March 31,2013
A. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	112,316,000	112,316,000
(b) Share Capital to be issued pursuant to the Scheme of Amalgamation	4	190,800,000	-
(c) Reserves and Surplus	5	92,493,951	42,836,374
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long Term Borrowings	6	480,867	-
(b) Other Long term liabilities	7	22,730,411	15,153,732
(c) Long term provisions	8	1,568,815	1,240,251
(d) Minority Interest		20,001	14,532
(4) Current Liabilities			
(a) Short Term Borrowings	9	303,337,359	136,500,000
(b) Trade payables	10	683,114,304	977,767,818
(c) Other current liabilities	11	55,752,445	2,046,184
(d) Short-term provisions	12	35,891,100	41,416,928
Total		1,498,505,253	1,329,291,819
B. ASSETS			
(1) Non-current assets			
(a) Fixed assets:	13		
(i) Tangible assets		103,275,091	76,959,368
(ii) Intangible assets		12,363,701	13,080,277
(b) Non-current investments	14	18,818,567	9,343,006
(c) Deferred tax assets (net)		50,853,452	45,225,465
(d) Long term loans and advances	15	204,542,042	136,038,375
(2) Current assets			
(a) Inventories	16	47,623,032	1,527,545
(b) Trade receivables	17	567,142,379	766,949,011
(c) Cash and Bank balances	18	157,416,871	69,634,550
(d) Short-term loans and advances	19	221,540,075	210,298,644
(e) Other current assets	20	114,930,043	235,578
Total		1,498,505,253	1,329,291,819

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Significant Accounting policies

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The accompanying Notes from 29 to 44 are an integral part of Financial Statements.

As per our report of even date attached.

For Dileep & Prithvi

For and on behalf of the Board

Chartered Accountants
Firm Reg. No. 122290W**Pankaj Jain**

Partner

M.No. 139559

Place : Mumbai

Date : 30th November 2014**S.P. Jain**

Chariman

Randhir Singh Sisodiya

Executive Director

Dipti Vira

Company Secretary



Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

(Figures in ₹)

Particulars	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
1. Revenue from operations	21	376,941,865	231,628,842
2. Other Income	22	40,964,746	25,821,319
3. Total Revenues (1+2)		417,906,611	257,450,161
4. Expenses:			
(a) Employee benefit expense	23	134,081,886	84,544,727
(b) Operating Expenses	24	134,507,223	83,392,032
(c) Administrative, Selling and Distribution Expenses	25	72,164,561	90,260,896
(d) Financial costs	26	56,675,233	15,798,394
(e) Depreciation and amortization expense	13	35,500,150	21,178,506
(f) Other expenses	27	3,519,337	576,277
(g) Provision for Standard Assets		(1,189,652)	1,486,089
(h) Provision for NPA		2,688,345	-
Total Expenses		437,947,083	297,236,922
5. Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (3-4)		(20,040,472)	(39,786,761)
6. Exceptional and Extraordinary Items/ Prior Period Adjustments		(17,921,883)	(68,434)
7. Profit /(Loss) before tax (5+6)		(37,962,355)	(39,855,194)
8. Tax expense:			
(a) Current tax		129,640	233,000
(b) Deferred tax		(15,883,143)	(5,734,617)
(c) Short/Excess Provision of tax		1,259,056	(348,535)
Total Tax Expense		(14,494,447)	(5,850,152)
Add:Share of Profit/(Loss) from Associate		51,356	137,553
Add:Minority Interest		4,384	1,172
9. Profit /(Loss) for the year (7-8)		(23,412,168)	(33,866,317)
10. Earning per equity share: (Face Value ` 10)	28		
(1) Basic		(2.08)	(3.02)
(2) Diluted		(2.08)	(3.02)

Significant Accounting policies

2

The accompanying Notes from 29 to 44 are an integral part of Financial Statements.

As per our report of even date attached.

For Dileep & Prithvi

For and on behalf of the Board

Chartered Accountants
Firm Reg. No. 122290W**Pankaj Jain**

Partner

M.No. 139559

Place : Mumbai

Date : 30th November 2014**S.P. Jain**

Chariman

Randhir Singh Sisodiya

Executive Director

Dipti Vira

Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2014

(Figures in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	(20,040,472)	(39,786,760)
Adjustments for		
Depreciation	35,500,150	21,178,506
Gratuity Provision	(812,424)	814,779
Preliminary Expenses Written-off	-	186,816
Provision for Standard Assets	-	1,486,089
Provision for Sub-Standard Assets	(1,189,652)	-
Provision for NPA	2,688,345	-
Finance Expenses	56,542,722	15,477,161
Loss on assets sold/discarded	1,544,513	341,917
Provision for Doubtful Debts	-	40,669,217
Dividend Received	(65,949)	(68,406)
Interest Received	(15,592,171)	(14,452,247)
Operating profit before working capital changes	58,575,062	25,847,072
Adjustments for		
Decrease (Increase) in Trade and other Receivables	395,278,346	138,028,808
Increase (Decrease) in Trade Payable and Provisions	(548,237,496)	(164,441,878)
Cash Generated from operations	(94,384,088)	(565,998)
Income Tax Paid For The Year	-	-
Prior Period Items	(17,921,883)	(68,434)
Net Cash From Operating Activities	(112,305,971)	(634,432)
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(17,596,426)	(9,054,894)
Sale of Fixed Assets	118,773,912	484,243
Long term Loans & Advances Received back	6,243,332	-
Interest Received	15,592,171	14,452,247
Dividend Received	65,949	68,406
Net Cash from Investing Activities	123,078,938	5,950,002
C. Cash flow From Financing Activities		
Finance Expenses	(56,542,722)	(15,477,161)
Loan Funds	89,443,784	(5,724,957)
Net Cash used in Financing Activities	32,901,062	(21,202,118)
Net Increase in Cash & Cash Equivalents	43,674,029	(15,886,548)
Opening Balance of Cash & Cash Equivalents	113,742,842	85,476,781
Closing Balance of Cash & Cash Equivalents	157,416,871	69,634,550

Notes :

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

Significant Accounting policies

The accompanying Notes from 29 to 44 are an integral part of Financial Statements.

As per our report of even date attached.

For Dileep & Prithvi

For and on behalf of the Board

Chartered Accountants
Firm Reg. No. 122290W**Pankaj Jain**

Partner

M.No. 139559

Place : Mumbai

Date : 30th November 2014**S.P. Jain**

Chariman

Randhir Singh Sisodiya

Executive Director

Dipti Vira

Company Secretary

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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 (CDSL) and National Securities Depository (India) Limited (NSDL). The company also provides Merchant Banking and Market Maker Services.

Pursuant to the scheme of Amalgamation approved by the Hon'ble High Court of Gujarat on May 03, 2013 for Monarch Research and Brokerage Private Limited ('MRBPL') and subsequently by the Hon'ble High Court Mumbai on August 07, 2014, for Monarch Project and Finmarkets Limited ('MPFL'), MRBPL and MPFL have been amalgamated with the company from the appointed date i.e. 1st April, 2010. The scheme of amalgamation became effective as on October 15, 2014. The Amalgamation has enabled appropriate consolidation of the activities of NSBL, MRBPL and MPFL, with pooling and more efficient utilization of resources, greater economies of scale, reduction in overheads and expenses and improvement in various operating parameters.

Pursuant to the Scheme of amalgamation all the assets and liabilities of the Transferor companies has been vested in the Company which includes Security Deposits as Member of various Exchanges under various segments, Intermediaries and Secured Term liabilities etc. The Company is in the process of initiating the Scheme of Amalgamation for transferring all assets/ liabilities in the name of the Company which are presently in the name of the respective Transferor Companies.

2. SIGNIFICANT ACCOUNTING POLICIES**a) Accounting for Amalgamation**

For the year under review, the financial statements have been prepared in accordance with Accounting Standard 14 (AS-14) - relating to Accounting for Amalgamations "The Pooling of Interests Method".

The Pooling of Interests Method

Under the pooling of interests method, the assets, liabilities and reserves of the transferor companies (MRBPL and MPFL) have been recorded by the transferee company (NSBL) at their existing carrying amounts.

The amalgamation being in the nature of merger, the identity of the reserves has been preserved and the reserves appear in the financial statements of the transferee company (NSBL) in the same form in which they appeared in the financial statements of the transferor companies (MRBPL and MPFL).

As a result of preserving the identity, reserves which are available for distribution as dividend before the amalgamation would also be available for distribution as dividend after the amalgamation. The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the transferor companies (MRBPL and MPFL) have been adjusted.

b) Basis of Consolidation:**i) Basis of Preparation:**

The individual Balance Sheet as at March 31, 2014 and Statement of Profit and Loss for the year ended March 31, 2014 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.**c) 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.

d) Revenue Recognition

Brokerage Income is recognised on the trade date. Subscription income for convenient brokerage plans is recognised on the basis of expiry of 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.

e) 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.

f) 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 Rs.5,000 has been depreciated in full in the year of purchase.

g) 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.

h) Inventories

Stock in trade of the Transferee Company (NSBL) 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. (Previous year cost or market value, whichever is lower).

Stock in trade of the Transferor Company (MRBPL) has been valued at cost. Stock in trade of the Transferor Company (MPFL) has been valued at cost or market price whichever is lower.

i) Employee Benefits

Transferee Company

Contribution to defined contribution scheme such as provident fund, is charged to the statement of profit & 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 avilment 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 actuarial value.

Transferor Company (MPFL) has provided provision in the books of account with respect to the retirement benefits of the employees as per the guidelines provided by The payment of Gratuity Act, 1972.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

p) Segment Reporting

During the year under consideration, the Transferee Company (NSBL) 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.

During the year under consideration, the Transferor Company (MPFL) has two segments namely, Capital Market (CM) Segment, Depository Participant (DP) segment. As the DP 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.

During the year under consideration, the Transferor Company (MRBPL) has two segments namely, Capital Market (CM) Segment, Portfolio Management segment (PMS). As the PMS 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:**

Particulars	(Figures in ₹)	
	As at March 31, 2014	As at March 31, 2013
Authorised Share Capital		
5,00,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- Each (P.Y. 5,00,000)	50,000,000	50,000,000
1,25,00,000 Equity Shares of Rs 10/ each Previous Year (1,25,00,000)	125,000,000	125,000,000
	175,000,000	175,000,000
Issued Subscribed & Paid up Share Capital		
1,12,31,600 Equity Shares of ₹ 10/- each (Previous Year 1,12,31,600)	112,316,000	112,316,000
	112,316,000	112,316,000

Pursuant to the scheme of Amalgamation the Authorised Capital is as follows:

Particulars	Post Amalgamation
Authorised Share Capital	
5,00,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- Each	50,000,000
60,00,000 - Preference Shares of ₹ 10/ each	60,000,000
3,05,00,000 Equity Shares of ₹ 10/ each	305,000,000
	415,000,000

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	11,231,600	112,316,000	11,231,600	112,316,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	11,231,600	112,316,000	11,231,600	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, 2014 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, 2014		As at March 31, 2013	
	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	3,292,137	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 Share Capital to be issued pursuant to the Scheme of Amalgamation**

	(Figures in ₹)
Share Capital of transferor companies	110,000,000
Transferred from Securities Premium Account	80,800,000
	190,800,000

As per the Scheme of Amalgamation the Company was required to issue 1,90,80,000 equity shares of face value of ₹ 10/- per share aggregating ₹ 19,08,00,000/- to the shareholders of the erstwhile Transferor Companies MRBPL and MPFL. The Company has allotted 1,90,80,000 equity shares aggregating to ₹ 19,08,00,000/- to the shareholders of the erstwhile MRBPL and MPFL on October 27, 2014. Hence, as on the date of Balance Sheet, the same has been shown as Share Capital to be issued pursuant to the Scheme of Amalgamation.

Note 5	Reserves & Surplus	(Figures in ₹)	
		As at March 31, 2014	As at March 31, 2013
	Particulars		
	a. Capital Reserves		
	Opening Balance	15,163,560	15,163,560
	Closing Balance	15,163,560	15,163,560
	b. Securities Premium Account		
	Opening Balance	380,644,386	380,644,386
	Less: Amount transferred to Share Capital to be issued pursuant to the Scheme of Amalgamation	80,800,000	-
	Less: Amount transferred Amalgamation Reserve Account	3,191,490	-
	Closing Balance	296,652,896	380,644,386
	c. Surplus/(Deficit) in the Statement of Profit and Loss		
	Opening balance	(352,971,572)	(319,105,255)
	Add: Surplus of Transferor Company MPFL	96,937,407	-
	Add: Surplus of Transferor Company MRBPL	28,191,735	-
	(+/-) Net Profit/(Loss) For the current year	(23,412,168)	(33,866,317)
	Less : Reserve & Surplus Of Networth Softech Ltd write back due to ceased to be subsidiary company w.e.f. 06/02/2014	(1,259,397)	-
	Closing Balance	(252,513,995)	(352,971,572)
	d. Amalgamation Reserve Account		
	Transferred from Capital Reserve of Erstwhile MPFL	30,000,000	-
	Transferred from Securities Premium Account	3,191,490	-
		33,191,490	-
	Total	92,493,951	42,836,374

Refer Note 33 for Accounting Treatment in the books pursuant to the Approved Scheme of Amalgamation.

Note 6	Long-Term Borrowings		
	Secured, Considered Good unless stated otherwise Of the Erstwhile Monarch Projects and Finmarkets Ltd.		
	(a) Loan from NBFC (Secured against hypothecation of Vehicle)	480,867	-
	Total	480,867	-

Note:

(a) Loan from NBFC of ₹ 4,80,867/- of the erstwhile Monarch Projects and Finmarkets Limited has been taken from Kotak Mahindra Prime Ltd. The loan has been secured by way of Hypothecation of Vehicles.

Aforesaid loan is classified as long Term Borrowings to the Extent to which it is not of current nature i.e. which are due to be settled after 12 months and current maturities of long term borrowings is classified as other current liabilities.

Note 7	Other Long-Term Liabilities		
	Security Deposit from Business Associates	22,730,411	15,153,732
	Total	22,730,411	15,153,732
Note 8	Long-Term Provisions		
	Provision for Gratuity	1,568,815	1,240,251
	Total	1,568,815	1,240,251

Note 9 Short Term Borrowings

Particulars	(Figures in ₹)	
	As at March 31, 2014	As at March 31, 2013
Secured, Considered Good unless stated otherwise Of the Erstwhile Monarch Projects and Finmarkets Ltd		
(a) Overdraft from HDFC Bank (Secured against hypothecation of Office premises & Securities, and Personal guarantee of Key Management of MPFL)	76,076,441	-
(b) Loan from Kotak Mahindra Prime Limited* (secured against hypthecation of Vehicle)	215,949	-
(c) Unsecured Loans from shareholders of erstwhile MPFL (Other than promoter group) Of the Erstwhile Monarch Research and Brokerage Pvt Ltd.	3,000,000	-
(d) Loan from NBFC* Loans & Advances	91,544,969 132,500,000	- 136,500,000
Total	303,337,359	136,500,000

* Loan from NBFC of Rs 9,15,44,969/- of the erstwhile Monarch Research and Brokerage Private Limited has been taken from Aditya Birla Finance Limited. The loan has been secured by Equity shares.

Note 10 Trade Payables

Sundry Creditors - Clients	532,266,767	809,528,896
Sundry Creditors - Others	17,067,546	12,094,949
Banks & Financial Institutions	133,779,991	156,143,973
Total	683,114,304	977,767,818

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 11 Other Current Liabilities

(a) Unpaid dividends	143,811	144,203
(b) Statutory Remittances	6,342,936	1,794,009
(c) Payable for comman infra.	49,199,695	107,972
(d) Other Current Liabilities	66,003	-
Total	55,752,445	2,046,184

Note 12 Short Term Provisions

(a) Provision for employee benefits Salary & Reimbursements	3,606,651	4,567,306
(b) Others		
Provision for Income Tax	18,244,315	13,592,000
Provision for Fringe Benefit Tax	-	15,483,096
Provision for Wealth Tax	-	51,744
Expenses payable outstanding	4,880,413	-
Provision for Gratuity	5,521,831	3,423,694
Others	653,108	2,812,999
Provision for Standard Assets	296,437	1,486,089
Provision for NPA	2,688,345	-
Total	35,891,100	41,416,928

Note 14 Non-current Investments

Particulars	As at 31 March 2014		As at 31 March 2013	
	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
(d) In Equity Shares - Fully Paid up Bombay Stock Exchange Limited	11,401	877	11,401	877
(e) In Equity Shares of Associate Concern- Fully Paid up				
Network Financial Services Ltd.	949,400	8,864,338	949,400	8,812,982
Network SoftTech Ltd.	50,000	500,000	-	-
Quoted				
(a) Investments in Equity Shares - Fully Paid up Sadbhav Engineering Ltd. Of the Erstwhile MPFL	1,310	24,235	1,310	24,235
- Indiabulls Limited	229,000	7,041,750	-	-
- NTPC Limited	2,000	414,500	-	-
- Power Grid Limited	13,700	1,467,955	-	-
Total	-	18,818,567	-	9,343,006

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

Note - 13 Fixed Assets (Figures in ₹)

Particulars	Gross Block			Accumulated Depreciation & Amortization			Net Block		
	As at 01/04/2013	Additions	Deletions/ Adjustments	As at 31/03/2014	As at 01/04/2013	Additions	Deletions	As at 31/03/2014	As at 31/03/2013
1 Tangible asset									
a Improvement to Lease Assets	104,351,652	2,959,129	73,025,246	34,285,535	26,183,447	7,755,285	17,205,763	17,552,566	13,010,336
b Office Premises	68,099,947	1,146,877	69,246,824	-	3,985,423	1,116,614	5,102,037	-	-
c Air Conditioners	16,348,798		176,350	16,172,448	4,750,536	767,826	67,601	10,721,687	4,529,622
d Computer	119,617,894	7,954,110	954,419	126,617,585	78,138,467	14,669,710	903,150	34,712,558	25,812,626
e Furniture & Fixtures	20,190,525	66,063	293,220	19,963,368	7,610,357	1,273,572	150,292	11,229,731	12,580,168
f Vehicles	14,113,190	-	-	14,113,190	6,814,262	1,313,382	8,127,644	5,985,546	671,203
g Office Equipment	27,340,422	923,450	74,455	28,189,417	3,832,292	1,307,366	23,244	23,073,003	20,355,413
Total - 1	370,062,428	13,049,629	143,770,514	239,341,543	131,314,784	28,203,755	23,452,087	103,275,091	76,959,368
2 Intangible Assets									
a Computer Software	46,835,356	4,546,797	-	51,382,153	32,218,361	7,296,397	-	11,867,395	12,583,971
b Goodwill on Consolidation	496,306			496,306				496,306	496,306
Total - 2	47,331,662	4,546,797	-	51,878,459	32,218,361	7,296,397	-	12,363,701	13,080,277
Grand Total (1 + 2)	417,394,090	17,596,426	143,770,514	291,220,002	163,533,145	35,500,152	23,452,087	115,638,792	90,039,645
	178,434,086	9,054,894	2,940,356	184,548,624	75,444,671	21,178,506	2,114,198	90,039,645	

Note 15 Long-term Loans and advances

Particulars	(Figures in ₹)	
	As at March 31, 2014	As at March 31, 2013
Unsecured considered good unless stated otherwise :		
a. Security Deposits		
Deposit with Stock Exchange & Financial Institutions		
-Networth Stock Broking Private Limited	65,315,518	31,789,212
Gratuity Fund	616,255	846,884
Erstwhile		
-Monarch Projects and Finmarkets Limited	15,963,082	-
- Monarch Research and Brokerage Private Limited	9,625,000	-
b. Balance with Revenue Authorities		
Advance Income Tax & Service Tax - NBSL	42,529,402	38,586,401
Advance Income Tax & Service Tax of erstwhile MRBPL	12,402,066	-
Advance Fringe Benefit Tax	2,058,456	17,549,927
Advance Wealth Tax	-	51,744
c. Other Deposits		
Deposits for Arbitration Order of erstwhile MPFL	1,030,831	
Deposits for PMS of the erstwhile MRBPL	1,100,000	
Deposits for Office Premises - NSBL	43,922,788	44,117,143
Deposits for Office Premises -MPFL	1,808,493	
Deposits for Telephone, VSAT, Electricity etc.- NBSL	220,151	2,130,397
Deposits for Telephone, VSAT, Electricity etc.- MPFL	450,000	
Other Deposits (F.D. With Bank) - MRBPL	7,500,000	
d. Deferred Revenue Expenditure	-	966,667
Total	204,542,042	136,038,375

Note 16 Inventories

Stock in Trade* - NSBL	42,507,282	1,527,545
Stock in Trade - MRBPL	2,038,360	
Stock in Trade - MPFL	2,998,900	
Franking Balance on Hand - MPFL	72,500	-
Stock of Stamp- MPFL	5,990	-
Total	47,623,032	1,527,545

* Stock in trade represents shares held as on balance sheet date at valued at cost being shares held by virtue of acting as a merchant banker and market maker for the acquired equity shares. 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 17 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	70,629,403	59,062,881
-considered doubtful**	114,271,988	106,986,231
Sub-total	184,901,391	166,049,112
Others		
-considered good #	489,227,219	707,886,130
Provision for doubtful receivables**	(106,986,231)	(106,986,231)
Total	567,142,379	766,949,011

In erstwhile MPFL - Outstanding more than six months figure cannot be determined exactly as client has been continuously trading and maintaining running account therefore, the same has not been separately presented.

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

Note 18 Cash and Bank balances

a. Cash on hand	4,661,056	749,864
b. Balances with Banks:		
In Earmarked Balances	143,061	143,339
In Current Account	67,804,450	31,550,631
Balances held as margin money deposits against guarantees*	50,000,000	27,500,000
Fixed Deposits held as Security Deposit -NSBL	23,048,842	9,690,716
Fixed Deposits held as Security Deposit - MPFL		
(Fixed Deposit against membership deposit Rs. 50 Lacs)	11,759,462	
	152,755,815	68,884,686
Total	157,416,871	69,634,550

Particulars	(Figures in ₹)	
	As at March 31, 2014	As at March 31, 2013
Note 19 Short-term loans and advances		
Advances to Staff	2,482,807	1,351,645
Advances to Suppliers	1,441,849	2,372,884
Prepaid Expenses	7,382,327	2,980,715
Deposit with stock exchange	-	43,827,240
Security Deposit -others		554,951
Receivables from Clients	359,008	-
Accrued Interest on F.D.	2,701,164	-

	Additional Base Capital with Clearing member	45,400,000	-
	Other Loans & Advances	149,392,109	142,733,264
	Advance Income Tax	12,380,811	13,794,974
	Service tax credit receivable	-	2,682,971
	Total	221,540,075	210,298,644
Note 20	Other Current assets		
	Of the erstwhile MPFL		
	MAT Receivable	785,334	-
	Income Tax refundable	20,544,709	-
	Receivables against sale of property	93,600,000	-
	Miscellaneous Expenditure to the extent not W/off	-	235,578
	Total	114,930,043	235,578
Note 21	Revenue from Operations		
	Income From Operation:		
	Brokerage & Related income	372,387,137	228,691,853
	IPO Brokerage Commission	109,728	-
	Merchant Banking income	4,445,000	2,936,989
	Total	376,941,865	231,628,842
Note 22	Other Income		
	Dividend Income	65,949	68,406
	Interest Received On Fixed Deposits	13,755,213	9,883,305
	Interest Received On Income Tax Refund	45,003	4,779,646
	Interest Received On Others	2,855,822	4,568,942
	DP Colateral Charges	1,713	-
	Odin & Diet User Charges	271,000	-
	Penalty Charges Recovered	430,182	-
	BSE Derivative Incentive	566,940	-
	Assets Usage Charges	3,195,950	-
	Profit on Trading of Shares	17,827,110	1,625,331
	Bad Debts Recovered	558,686	-
	Excess provision For IT Written Back	-	(19,079)
	Sundry Balance W/off (Net)	1,391,178	4,914,768
	Total	40,964,746	25,821,319
Note 23	Employee Benefit expense		
	Salaries & Wages	117,240,484	75,912,555
	Contribution to Provident & other funds*	3,692,989	4,554,622
	Performance Incentive	964,828	-
	Staff Welfare	3,841,925	2,133,804
	Directors' Remuneration	8,253,660	1,890,660
	Gratuity	88,000	53,086
	Total	134,081,886	84,544,727
*The Company recognises and accrues the employee benefit as per Accounting Standard (AS) – 15 on "Employee Benefits" the disclosures of which are as under:			
Actuarial Assumptions			
Mortality Table Indian Assured Lives Mortality (2006-08) Ult.LIC (94-96) Ult.			
	Discount rate	9.1%	8%
	Rate of return (expected) on plan assets	7.0%	11.2%
	Rate of increase in compensation previous year	4.0%	4%
	Rate of increase in compensation current year	5.1%	4%
Changes in present value of obligations			
	Obligation at the beginning of the year	4,690,227	3,875,448
	Interest Cost	361,607	284,943
	Current Service Cost	863,816	1,126,896
	Past Service Cost	-	-
	Benefit paid	(340,291)	(627,326)
	Actuarial (gain) / Loss on obligations	1,107	30,266
	Liability at the end of the year	5,576,466	4,690,227
Changes in fair value of plan assets			
	Fair value of plan Assets at the beginning of the year	1,240,251	1,367,577
	Fair value of plan Assets at the end of the year	1,699,053	1,240,251
	Current Service cost	863,816	1,126,896
	Interest Cost	361,607	284,943
	Past Service Cost	-	-
	Expected return on plan assets	(125,682)	(146,038)
	Net Actuarial (Gain) or Loss	53,050	176,304
	Opening net liability	-	2,507,871
	Adjustment to opening balance	(725,354)	-
	Expense as above	1,152,791	1,442,105
	Contribution paid	-	(500,000)
	Closing net Liability	427,437	3,449,976

Note : The above calculation of Employee Benefits has been done by an independent Actuary and it does not include the calculations of the Transferor Companies, if any.

Note 24 Operating Expenses

Demat Charges	3,488,963	2,114,759
Sub Brokerage & Commission Expenses	93,560,419	59,255,710
Stamping Charges	1,201,792	421,819
Penalty Account - BSE	18,712	-
Auto D.O. Charges	14,607	-
Exchange Expenses	748,460	289,027
Investors Protection Fund	4,655	-
Connectivity Charges	10,234,587	8,674,638
Insurance Charges (Exchanges)	730,139	713,733
Membership Fees & Subscription	1,449,032	1,336,705
Software Charges	6,587,626	2,590,556
Interest on Loan availed	16,459,371	7,979,160
Error Account	8,860	15,925

Note 25 Administrative Selling and Distribution Expenses

Administration expenses		
Legal & Professional Charges	10,374,345	4,471,693
Telephone/Communication Charges	5,767,115	3,575,185
Electricity Charges	10,476,713	6,852,879
Rent Rates & Taxes	22,103,949	18,418,805
Municipal Taxes	1,078,205	43,114
Repairs & Maintenance	5,058,132	3,080,346
Insurance Charges	-	10,700
Postage & Courier Charges	3,299,230	4,089,964
Conveyance & Travelling	4,424,046	1,966,720
Printing Stationery & Xerox Charges	2,804,175	2,003,604
Provident Fund Administrative Charges	220,994	239,999
Profession Tax	27,068	37,930
Provision for Doubtful Debts	-	40,669,217
Share Registrar's Charges	69,000	70,795
Office expenses	2,610,255	2,169,584
Miscellaneous Expenses	19,299	551,022
Bad Debts	-	740
Vehicle Expenses	76,426	-
Staff Recruitment Expenses	372,340	26,240
Sauda Difference	15,100	-
Auditors' Remuneration	938,495	684,000
Short Provision of Tax	531,068	-
Service Tax Expenses	583,338	-
Recovery of Expenses **	(800,000)	-
Selling & Distribution Expenses		
Advertisement	208,540	169,026
Business Promotion Expenses	1,906,728	1,129,333
Total	72,164,561	90,260,896

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

Note 26 Financial Costs

Particulars	(Figures in ₹)	
	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest On Bank OD & Fin. Inst.	52,624,212	14,830,580
Loan Prepayment Charges	68,081	-
Interest On Car Loan	96,841	-
Bank Guarantee Charges	1,876,654	508,126
Bank & Fin. Institution charges	416,755	326,244
Interest on Late Payment of TDS	305,726	-
Other Interest	1,286,964	133,444
Total	56,675,233	15,798,394

Note 27 Other Expenses

Bad debts/Sundry Balance written off	1,687,027	219,360
Loss on Assets sold / discarded	1,544,513	341,917
Other Expenses	67,612	-
Charity & Donations	220,185	15,000
Total	3,519,337	576,277

Note 28 Earning per Share

Particulars		Year Ended March 31, 2014	Year Ended March 31, 2013
Basic EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	(23,412,168)	(33,866,317)
Weighted Average Number of Shares Subscribed (Basic)	B	11,231,600	11,231,600
Basic EPS	A/B	(2.08)	(3.02)
Diluted EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	(23,412,168)	(33,866,317)
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	(2.08)	(3.02)

Due to impact of the scheme of merger between Company & amalgamating Companies, there is share capital of 1,90,80,000 number of equity shares which are to be allotted to amalgamating Companies. If these shares would have been allotted, it results in total equity capital of 3,03,11,600 no. of Equity shares and resultant fully diluted EPS would have been ₹ -0.77

Note 29 Pursuant to the scheme of Amalgamation in the nature of merger between the Company and Monarch Research and Brokerage Private Limited ('MRBPL') & Monarch Project & Finmarkets Limited on a going concern basis consisting of all the assets and liabilities pertaining to the transferor companies being approved by shareholders of both the companies and subsequently approved by the Hon'ble High Courts, the scheme has been given effect to, in this financial statements and accordingly:

(i) The Financial Statements for the year ended 31st March, 2014 which were earlier approved by the Board of the Directors on 5th June, 2014 and audited by the Statutory Auditors of the company have been revised.

(ii) All assets and liabilities pertaining to the transferor companies stand transferred to and vested in the company as a going concern at carrying values as disclosed in the financial statements of transferor companies.

Note 30 Scheme of Amalgamation

The scheme of Amalgamation between Monarch Research and Brokerage Private Limited ('MRBPL') and Network Stock Broking Limited was approved by the Hon'ble High Court of Gujarat on May 03, 2013 and the scheme of Amalgamation between Monarch Projects and Finmarkets Limited (MPFL) and Network Stock Broking Limited was approved by the Hon'ble High Court Mumbai on August 07, 2014.

Pursuant to the scheme of Amalgamation between Monarch Research and Brokerage Private Limited ('MRBPL') and Monarch Projects and Finmarkets Limited (MPFL) with Network Stock Broking Limited the assets and liabilities of the erstwhile transferor companies was transferred to and vested in the company with effect from the 1st April, 2010 being the appointed date, the scheme has been given effect to these accounts in current financial year.

As per the Scheme of Amalgamation the Company was required to issue 1,90,80,000 equity shares of face value of ₹ 10/- per share aggregating ₹ 19,08,00,000/- to the shareholders of the erstwhile Transferor Companies MRBPL and MPFL. The Company has allotted 1,90,80,000 equity shares aggregating to ₹ 19,08,00,000/- to the shareholders of the erstwhile MRBPL and MPFL on October 27, 2014. Hence, as on the date of Balance Sheet, the same has been shown as Share Capital to be issued pursuant to the Scheme of Amalgamation.

Note 31 Disclosures in accordance with Accounting Standard -14**(a) Name and Nature of Business of Amalgamation Companies:****Name of the Company**

Network Stock Broking Limited
Monarch Research and Brokerage Private Limited (MRBPL)
Monarch Projects and Finmarkets Limited (MPFL)

Nature of Business

Stock Broking, Depository and Merchant Banking Services
Stock Broking and Portfolio Management Services
Stock Broking and Depository Participant

(b) Method of accounting used to reflect the amalgamation

The Pooling of Interests Method

(c) Particulars of the scheme sanctioned under a statute

(d) The scheme has envisaged an exchange ratio as under:

- MPFL - 201 (Two Hundred and One) Equity Shares of ₹. 10/- each of NSBL for every 100 (One Hundred) Equity Share of ₹.10/- each held in MPFL.

- MRBPL - 100 (One Hundred) Equity Shares of Rs. 10/- each of NSBL for every 100 (One Hundred) Equity Share of ₹.10/- each held in MRBPL.

Note 32 ACCOUNTING TREATMENT ON AMALGAMATION

The accounting for Amalgamation has been done in accordance to the approved Scheme of Amalgamation clause no 14 - "Accounting Treatment". Accordingly, the Company has accounted for the Scheme in its book of Accounts as under:

- The reserves in the books of account of the Transferor Companies have been credited by the Transferee Company to its reserves in the same form in which they appear in the books of the Transferor Companies.
- The amount lying to the balance of "Profit and Loss Account" in the books of account of the Transferor Companies has been adjusted by the Transferee Company to its Profit and Loss Account.

3. The Excess amount of ₹ 3,31,91,490/- resulting on account of amalgamation has been transferred to "Amalgamation Reserve Account". The said account has not been considered as a free reserve as provided u/s 2(29A) of the Companies Act, 1956 as directed by the Honourable High Court, Mumbai.
4. As per the Scheme of Amalgamation the Company was required to issue 1,90,80,000 equity shares of face value of ₹ 10/- per share aggregating ₹ 19,08,00,000/- to the shareholders of the erstwhile Transferor Companies MRBPL and MPFL. The Company has allotted 1,90,80,000 equity shares aggregating to ₹ 19,08,00,000/- to the shareholders of the erstwhile MRBPL and MPFL on October 27, 2014. Hence, as on the date of Balance Sheet, the same has been shown as Share Capital to be issued pursuant to the Scheme of Amalgamation, details as under:

Share Capital of transferor companies	110,000,000
Transferred from Securities Premium Account	80,800,000
	190,800,000

5. The difference between the book value of net assets taken over and the value of shares issued after accounting for the cancellation if any have been adjusted to the Securities Premium Account.
6. The application and reduction of the Share Premium Account has been effected as an integral part of the Scheme without having to follow the process under the provisions of Section 78 and Section 100, 102 and 103 of the Act. Such application/ reduction of the Share Premium account does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The order of the Court sanctioning the Scheme under Section 394 of the Act is deemed to be an order under Section 102 of the Act confirming the reduction and the compliance by the Transferee Company of the provisions of Section 391-394 of the Act shall be deemed to be the sufficient compliance of the provisions of Section 100 to 103 of the Companies Act, 1956, rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions, if any, relating to the reduction of share capital.

Note 33 The effects on the financial statements of the Amalgamated Company for any difference in accounting policies between the Transferee Company (NSBL) and the Transferor Companies (MRBPL and MPFL) have not been quantified.

Note 34 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 35 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:

- The Income tax demand outstanding upto the assessment years 2011-12 is ₹ 63.70 Lacs (previous year ₹83 Lacs). Based on the information available, 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 ₹ 318 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 Nil) for loan taken by its Subsidiary Company Ravisha Financial Services Private Limited from financial institutions.
- In respect of its NBFC Business, the company received Order U/s. 143(3) of the Income Tax Act, 1956 for A. Y. 2011-12 and demand of ₹ 1.33 Lacs raised. In connection with the same assessee has filed an appeal against the same demand (P. Y. Nil).

Contingent Liabilities of erstwhile Transferor companies:

MRBPL:

- Bank Guarantee ₹ 300 Lacs
- The Commissioner of Service tax, Ahmedabad has issued show cause for claiming wrong exemption .exclusion of NSE/BSE transaction charges, SEBI fees etc. .The total demand for the said show cause notice is ₹ 6,76,405/- No liabilities has been provided as the liabilities is contingent in nature.
- The Assistant Commissioner of Income Tax, Ahmedabad has issued order dated 13/03/2013, disallowed Bad Debts of ₹3,80,037/- for A. Y. 2009-10. The total demand for the said order u/s 143(3) is ₹ 1,37,444/- and the company has filed appealed against the said order. no liabilities has been provided as the liabilities is contingent in nature
- The Assistant Commissioner of Income Tax, Ahmedabad has issued order dated 21/12/2011, disallowed Bad Debts of ₹11,27,093/- for A. Y. 2010-11. The total demand for the said order u/s 143(3) is ₹ 45,500/-And the assessee has filed appealed against the said order. no liabilities has been provided as the liabilities is contingent in nature.

MPFL:

Particulars	(Figures in ₹) As at March 31, 2014
Service Tax matters pending with various authorities	5,797,691
Bank Guarantee	30,000,000
Income Tax matters under appeal	3,048,207
Inter Corporate Guarantee	100,000,000
Total	138,845,898

Note 36 Related Party Disclosure of NSBL

(a) List of Related Parties and Relationship

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Networth Commodities & Investments Ltd. Networth Wealth Solutions Ltd. Ravisha Financial Services Private Ltd. Networth Insurance Broking Private Ltd. Networth Financial Services Ltd.	Subsidiary Company 100% Subsidiary Company 100% Subsidiary Company 100% Subsidiary Company Associate Concern
Key Management Personnel Manish Ajmera	Chief Executive Officer/Director (Resigned on 23rd June, 2014)
Others S. P. Jain Kanta Jain "S.P. Jain – HUF"Sun Capital Advisory Services Private Limited"	Chairman & Dominant Promoter Group Dominant Promoter Group 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	Total
Revenue Received	CY		-	800,000	36,629,840
	PY		-		36,441,829
Rendering of Services	CY		1,890,660	6,000,000	15,690,660
	PY		1,890,660	-	14,610,660
Sale of Assets	CY		-	-	-
	PY		-	-	30,000,811
Loan Given	CY		-	-	403,264,539
	PY		-	-	90,000,000
Outstanding Balance included in current liabilities	CY	8,834	-	-	8,834
	PY	17,023,762	-	-	17,023,762
Outstanding Balance included in current assets	CY		-	-	817,146
	PY		-	-	352,725

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

Note 37 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

(₹ in Lacs)

Sr. No	Particulars	March 31, 2014	March 31, 2013
1	Segment Revenue (net sale / income from each segment)		
a	Broking	3,957.33	2,242.65
b	Wealth management	30.89	31.27
c	Non banking financial business	272.47	223.47
d	Others	-	42.00
	Total	4,260.68	2,539.39
	Less: Inter segment revenue	418.82	491.62
	Net sales / income from operations	3,841.87	2,047.77
2	Segment Results Profit/ (Loss) before tax and interest		
a	Broking	112.06	(28.89)
b	Wealth management	1.14	8.21
c	Non banking financial business	(76.94)	(409.42)
d	Others	(0.15)	0.69
	Total	36.11	(429.41)
	Less: i. Interest Expenses	(566.75)	(157.96)
	Add: i. Un-allocable income	-	-
	ii. Interest Income	156.37	192.32
	Total Profit Before Tax	(374.27)	(395.05)
3	Segment Assets		
a	Broking	13,991.56	7,552.57
b	Wealth management	236.71	265.00
c	Non banking financial business	1,670.07	6,292.87
d	Others	53.42	27.02
	Total	15,951.75	14,137.46
4	Segment Liabilities		
a	Broking	8,397.93	4,285.70
b	Wealth management	1,251.59	1,281.46
c	Non banking financial business	1,453.20	6,008.49
d	Others	7.15	7.96
	Total	11,109.88	11,583.61

Note 38 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 39 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 40 In respect of its NBFC Business, the company has not booked interest income receivable from one party amounting to ₹1,46,80,404/- 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 ₹1,34,20,822/- 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 as on 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 41 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 42 There are no Capital commitments which is outstanding as on Balance Sheet date (previous year Nil).

Note 43 Events Occurring After the Balance Sheet Date

To the best of knowledge of the management, apart from the Accounting for Scheme of Amalgamation 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 44 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

Previous Years figures are pre Amalgamation figures of Networth Stock Broking Limited and current years figures are post Amalgamation figures of Networth Stock Broking Limited, hence previous years figures are not comparable with current year figures.

As per our report of even date attached.

For Dileep & Prithvi
Chartered Accountants
Firm Reg. No. 122290W

For and on behalf of the Board

Pankaj Jain
Partner
M.No. 139559
Place : Mumbai
Date : 30th November 2014

S.P. Jain
Chariman

Randhir Singh Sisodiya
Executive Director

Dipti Vira
Company Secretary

NETWORTH STOCK BROKING LIMITED

CIN:L65920MH1993PLC075393

Regd. Office: Office No. 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (East), Mumbai - 400 063.

Tel.: 022 - 3064 1600, Fax: 022 - 2685 0257

E-mail: reachus@networthdirect.com, Website: www.networthdirect.com

FOR KIND ATTENTION OF SHAREHOLDERS

Dear Members,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

Folio No.	
Name of the Member	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail Id	
PAN or CIN	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

Date: _____

Place: _____

Signature of the Member

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company VIZ. "SKYLINE FINANCIAL SERVICES PRIVATE LIMITED, D-153 A, First Floor, Okhla Industrial Area, Phase - 1, New Delhi, Delhi- 110020."

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking you,

For Network Stock Broking Limited

Dipti Vira
Company Secretary

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NETWORTH STOCK BROKING LIMITED

CIN:L65920MH1993PLC075393

Regd. Office: Office No. 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (East), Mumbai - 400 063.

Tel.: 022 - 3064 1600, Fax: 022 - 2685 0257

E-mail: reachus@networthdirect.com, Website: www.networthdirect.com

**ASSENT/DISSENT FORM FOR VOTING ON AGM RESOLUTIONS
21ST ANNUAL GENERAL MEETING - 31ST DECEMBER 2014**

1. Name & Registered Address of Shareholder (IN BLOCK LETTER) _____
2. Name(s) of Joint holders, if any _____
3. Registered folio No./ _____
DP ID No./Client ID No.* _____
(*Applicable to investors holding shares in dematerialized form)
4. Number of share(s) held _____
5. I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated 31st December, 2014 by conveying my/our assent or dissent to the Resolutions by placing a tick (✓) mark at the appropriate box below.

Item No.	Description of the Resolution	No. of share(s)	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1.	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 st March, 2014 and the Reports of the Directors' and the Auditors.			
2.	Ordinary Resolution for appointment of a director in place of Mr. Suresh P. Jain, Director who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Ordinary Resolution for appointment of M/s. Yogesh Thakker & Company, Chartered Accountants, Mumbai (having FRN: 111763W) as Statutory Auditors of the Company to hold office from the conclusion of 21 st Annual General Meeting until the conclusion of 26 th Annual General Meeting and to fix their remuneration.			
4.	Ordinary Resolution for approval for appointment and remuneration paid to Mr. Randhir Singh Sisodiya during his tenure as Executive Director in the Company.			
5.	Ordinary Resolution for appointment Mr. Vaibhav Shah as Managing Director of the Company for a period of 1(one) year w.e.f 1 st December, 2014.			
6.	Ordinary Resolution for appointment Mr. Mayukh Pandya as an Independent Director of the Company to hold office as such upto 30 th November, 2019.			
7.	Ordinary Resolution for appointment Mr. Shailesh Desai as an Independent Director of the Company to hold office as such upto 30 th November, 2019.			
8.	Special Resolution for adoption of new set of Articles of Association of the Company.			
9.	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for increase in borrowing powers of the Company upto ₹. 500 Crores.			
10.	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 to authorize Board of Directors of the Company to create to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company, both present and future upto an amount as approved by the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013.			
11.	Special Resolution u/s 186 of the Companies Act, 2013 for increase in the powers of the Company to give loan to any person or other body corporate/give guarantee or provide security in connection with a loan to any person or other body corporate or acquire by way of subscription, purchase or otherwise the securities of any other body corporate up to ₹. 500 Crores.			

Place : _____

Date : _____

(Signature of the shareholder)

Notes: (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.

(ii) Last date for receipt of Assent/Dissent Form: 26th December, 2014(6.00 pm)

(iii) Please read the instructions carefully before exercising your vote.

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INSTRUCTIONS

General Instructions

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent in physical form. If a shareholder has opted for Physical Assent / Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical assent/dissent form and e-voting, then vote casted through physical assent/dissent form shall be considered, subject to the assent/dissent from being found to be valid and vote cast through e-voting shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on 28th November, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent / dissent form cannot be exercised by a proxy.

Instructions for voting physically in Assent / Dissent Form

1. A Member desiring to exercise vote by Assent / Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, CS Manish L. Ghia, Partner, M/s Manish Ghia and Associates, Company Secretaries, Mumbai and send the same at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. 6.00 p.m. on 26th December, 2014. Any Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Assent / Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (?) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A Member may request for a duplicate Assent / Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent / Dissent form except giving their assent or dissent and putting their signature. If any other paper is sent along with the form the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.

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ATTENDANCE SLIP

21ST ANNUAL GENERAL MEETING ON 31ST DECEMBER, 2014

Registered Folio/ DP ID & Client ID	
Name and address of the shareholder(s)	
Joint Holder 1	
Joint Holder 2	

I/we hereby record my/our presence at the 21st Annual General Meeting of the Company held at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, LNM IMC Building, Churchgate, Mumbai- 400 020 on Wednesday, 31st December, 2014 at 12.30 p.m.

.....

Member's/Proxy's name (in Block Letters)

.....

Member's/Proxy's Signature

Note:

1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Please read the instructions for e-voting given along with Annul Report. The Voting period starts from Wednesday, 24th December, 2014 (9:00 am) and ends on Friday, 26th December, 2014 (6:00 pm). The voting module shall be disabled by CDSL for voting thereafter.

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]
21ST ANNUAL GENERAL MEETING - 31ST DECEMBER, 2014

Name of the Member (s) : _____
Registered Address : _____

Email Id : _____
Folio No/Client Id : _____
DP ID : _____

I/We, being a Member (s) of _____ shares of the above named Company hereby appoint:

1.Name: _____

Address: _____

Email ID: _____

Signature: _____, or failing him

2.Name: _____

Address: _____

Email ID: _____

Signature: _____, or failing him

3.Name: _____

Address: _____

Email ID: _____

Signature: _____

as my/our proxy to attend and vote (on poll) for me/us on my /our behalf of at the 21stAnnual General Meeting of the Company to be held on Wednesday 31st of December, 2014 at 12.30 p.m. at Kilachand Conference Room, 2nd Floor, Indian Merchant Chambers, LNM IMC Building, Churchgate, Mumbai- 400 020, and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Number	Resolutions	Vote (Optional see note 2) Please mention no. of Shares)		
		For	Against	Abstain
ORDINARY BUSINESS:				
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 st March, 2014 and the Reports of the Directors' and the Auditors.			
2	Ordinary Resolution for appointment of a director in place of Mr. Suresh P. Jain, Director who retires by rotation and being eligible, offers himself for re-appointment.			
3	Ordinary Resolution for appointment of M/s. Yogesh Thakker & Company, Chartered Accountants, Mumbai (having FRN: 111763W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of twenty sixth Annual General Meeting and to fix their remuneration.			
SPECIAL BUSINESS:				
4	Ordinary Resolution for approval appointment and of remuneration paid to Mr. Randhir Singh Sisodiya during his tenure as Executive Director in the Company.			
5	Ordinary Resolution for appointment Mr. Vaibhav Shah as Managing Director of the Company for a period of 1 year (w.e.f. 1st December, 2014) and approval of remuneration payable to him.			
6	Ordinary Resolution for appointment Mr. Mayukh Pandya as an Independent Director of the Company to hold office as such upto 30 th November, 2019.			
7	Ordinary Resolution for appointment Mr. Shailesh Desai as an Independent Director of the Company to hold office as such upto 30 th November, 2019.			
8	Special Resolution for adoption of new set of Articles of Association of the Company.			
9	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for increase in borrowing powers of the Company upto ₹. 500 Crores.			
10	Special Resolution under Section 180(1) (a) of the Companies Act, 2013 to authorize Board of Directors of the Company to create to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company, both present and future upto an amount as approved by the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013.			
11	Special Resolution u/s 186 of the Companies Act, 2013 for increase in the powers of the Company to give loan to any person or other body corporate/give guarantee or provide security in connection with a loan to any person or other body corporate or acquire by way of subscription, purchase or otherwise the securities of any other body corporate upto ₹ 500 Crores.			

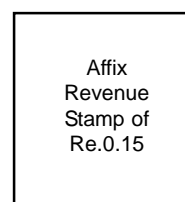
Signed this _____ day of December, 2014

Signature of Member: _____

Signature of Proxy holder(s): _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deemed appropriate.



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



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

Networth Stock Broking Ltd.

Office No. 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (East), Mumbai - 400 063, India.

Tel.: +91-22-3064 1600 • Fax: +91-22-2685 0257

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