

FORM B

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

1.	Name of the company	Networth Stock Broking Limited
2.	Annual financial statements for the year ended	31 st March, 2015
3.	Type of Audit qualification	<p>Qualified that:</p> <p>Standalone Financial Statements:</p> <p>1. The Company's has provided in its Statement of Profit and Loss the Provision for Taxation at Rs.1,16,80,000. However, the actual tax liability of the Company for the year as computed in accordance with the Accounting Standard - 22 (AS-22) works out to Nil. Tax expense for the year has been provided in excess by Rs. 1,16,80,000/- and the Profit after Tax has been understated by Rs. 1,16,80,000 in the Statement of Profit and Loss. (Refer Point no. 7 of Standalone Financial Statements)</p> <p>Consolidated Financial Statements:</p> <p>2. The tax expenses in the Consolidated Statement of Profit and Loss has been provided at Rs.1,30,65,000. However, the actual tax liability of the group for the year as computed in accordance with the Accounting Standard - 22 (AS-22) works out to Rs. 13,85,000. Tax expense for the</p>



year has been provided in excess by Rs. 1,16,80,000/- and the Profit after Tax has been understated by Rs. 1,16,80,000 in the Statement of Profit and Loss. (Refer Point no. 7 of Consolidated Financial Statements)

Consolidated Financial Statements:

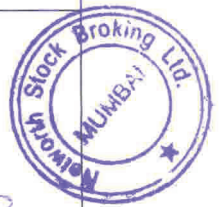
Emphasis of Matter

3. The financial statement indicates that one of the subsidiary company has accumulated losses and its Net worth has been fully eroded, the Company has incurred net losses during the previous years and accumulated losses and the Company current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in, indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis. We have relied on the work of subsidiary's Auditor, Our opinion is not modified in respect of this matter.

4. The financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and



		the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.
4.	Frequency of qualification	All the above points appearing for the first time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Refer point "Auditor's Remark" in Director's Report of Annual Report of the Company.
6.	Additional comments from the board/audit committee chair:	-
7.	To be signed by- <ul style="list-style-type: none"> • Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	<p>Mr. Vaibhav Shah <i>gand</i></p> <p>Mr. Ashok Bafna <i>AB</i></p> <p>Mr. Yogesh Thakker M/s Yogesh Thakker & Co. <i>Y. Thakker</i></p> <p>Mr. Mayukh Pandya <i>mpandya</i></p>



Place: Mumbai

Date: 05/09/2015



22nd ANNUAL REPORT 2014-2015

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Board of Directors

Mr. Suresh P. Jain	: Chairman
Mr. Manish Ajmera	: Executive Director & CFO (upto 23 rd June, 2014)
Mr. Mohit Agrawal	: Independent Director*
Mr. Praveen Toshniwal	: Independent Director*
Mr. Sanjay Motta	: Independent Director*
Mr. Randhir Singh Sisodiya	: Executive Director (w.e.f. 23 rd June, 2014 till 1 st December, 2014)
Mr. Vaibhav Shah	: Managing Director #
Mr. Mayukh Pandya	: Independent Director#
Mr. Shailesh Desai	: Independent Director# * (upto 1 st December, 2014) #(w.e.f. 1 st December, 2014)
Mr. Chetan Bohra	: Director (w.e.f. 13 th February, 2015)
Mrs. Manju Bafna	: Executive Director (w.e.f. 13 th February, 2015)
Mr. Ashok Bafna	: Chief Financial Officer (w.e.f. 13 th February, 2015)

Company Secretary & Compliance Officer

Ms. Dipti Vira	: (upto 10 th January, 2015)
Ms. Sophia Jain	: (w.e.f. 27 th January, 2015)

Registered Office

Office No.901/902, 9th Floor, Atlanta Centre,
Opp. Udyog Bhawan, Sonawala Road,
Goregaon (East), Mumbai- 400063
Tel.: 022 - 3064 1600, Fax: 022 - 2685 0257
E-mail: reachus@networthdirect.com
Website: www.networthdirect.com

Bankers

HDFC Bank Ltd.
ICICI Bank Ltd.
Axis Bank Ltd.
Corporation Bank

Statutory Auditors

M/s. Parekh Shah and Lodha
Chartered Accountants, Mumbai

Internal Auditors:

Ms. Nautam Vakil & Co
Chartered Accountants, Ahmedabad

Secretarial Auditors:

M/s. Manish Ghia & Associates
Company Secretaries, Mumbai

Registrar & Share Transfer Agent

Skyline Financial Services Private Limited D-153A,
1st Floor, Okhla Industrial Area, Phase - I,
New Delhi- 110020
Tel.: 011-26812682, 83, 011-64732681 to 88
Fax: 011-26812682,
E-mail: admin@skylinerta.com
Website: www.skylinerta.com

Annual General Meeting

Day : Wednesday
Date : 30th September, 2015.
Time : 12.30 P.M.
Venue : Jayleela Banquet Opp. Railway Nagar,
Sonawala Rd, Goregaon East,
Mumbai - 400063

FROM THE DESK OF THE MANAGING DIRECTOR

Dear Fellow Stakeholders,

I am pleased to update you on the performance of Network Stock Broking Limited through this Annual Report. The strategic alliance with the Monarch Group has taken the Company to a new height and as expected 2014-15 became a transitional year. The Company has embarked a steady growth which is evident from the percentage increase in the profit in the year 2014-15.

Results:

We have made significant progress towards our goal of becoming the partner of choice for all our stakeholders by increasing the revenue from ₹ 366,372,904 in 2014 to ₹ 534,032,374 in 2015, which indicates 45.76 % growth in the revenue generation. Indeed, we have accelerated the speed of this journey over the past 12 months by achieving profit of ₹ 28,531,202/- in 2015 from loss of (₹ 6,649,135/-) in indicates a breakeven year & the jump in Profit by 529%. Our Vision and Values are becoming embedded in the fabric of Network, fundamentally changing how we do business for the better. In 2014 our Board endorsed a strategy update which created a reshaped Network, one that is better balanced, more focused, and positioned to succeed over the long term and deliver for shareholders. While there is much still to do, I am encouraged by the progress that we have made so far in executing those plans.

Future Market outlook:

What I believe is that our Industry outlook is going to be very bullish in next 5 years, where we expect the business to go multifold. Retail investors seem to have returned to the capital markets indirectly as seen by the robust inflows into the equity schemes of Mutual Funds during the last 9-10 months. The rising activity in the currency derivatives segment in the last few months is seen as an early sign of improvement.

Foreign institutional investors (FIIs) have invested USD 44 billion in Indian Capital markets in FY14-15, the highest investment by FIIs in any fiscal year. Of this USD 17 billion has been invested into Indian equities. Even Domestic Institutional Investors (DIIs) have turned net buyers over the same period. Due to this, risk perception about India as an investment destination has reduced and allocation to India amongst emerging market funds have increased.

Technological Development:

The continuing role of market makers is being called into question. We have been preparing for this and in recent years we have put more and more of our resources into developing our brokerage systems, which are uniquely targeted to serve professional investors and traders. As a result, we are proud to offer a brokerage platform that is unparalleled among its peers in terms of low cost, exceptional execution quality, versatility and breadth of products. In planning our business we aim to ride on the front edge of technology and long-term trends. For years, we have identified a long-term and enduring trend & the proliferation of large electronic platforms that organize and automate all the functions and processes a business must fulfill.

The company's prime focus is on providing valuable services to its customers including Technological Development, Better Customer Service Solutions and strong Manpower. As it is an era of technology, we constantly focus on scaling and upgrading the technology infrastructure so as to provide the best services to the investors.

- We got online and offline software which has been already approved from all the exchanges.
- We have launched Mobile trading, Algo Trading which actually help us to reduce the overall cost and increase the profit margin. Mobile trading is gradually becoming popular. The greatest advantages of this service are Trade in stocks on the move- Time efficient - Don't miss out on any investment opportunity- Live streaming of market data -Easy & Convenient - Track your portfolio performance & stay updated!
- Algo Trading is a revolutionary technical auto trading platform that enables traders and investors alike to design, test and deploy automated strategies and scenarios with ease in trading. It provides benefits like Identify and react to the opportunities faster-Track more markets simultaneously-Reduce emotions and increase trading discipline.
- We also have Next generation Trading platform called MNTrade station which provides the Super fast Online Stock Trading Application that you can install on your desktop. It is actually a logical and emotionless trading platform. It provides benefits like Hi-speed trading terminal on your desktop -Streaming quotes for real time rate updates -Multiple exchanges on single screen-- Advanced Charting features- Customized Technical Rules - Pattern Finder.
- We have also designed Network messenger to specially facilitate our clients for easy accessibility to our research calls and continuous market updates on finger tips.

The foundations have been laid to expand our offering profitably and, in turn, deliver long-term Value for our stakeholders.

Looking ahead:

With the external environment becoming more certain in some markets, Network will continue to optimize the costs, invest selectively to drive growth while embedding more productive and efficient processes throughout the business thereby unlocking value for its stakeholders. Key investments will be in the area of expansion & technology.

Further with :

- 1) The contemplated merger of the Securities and Exchange Board of India (SEBI) and the Forward Markets Commission (FMC), in result will bring growth in commodity segment. The government is going to define some instruments as derivatives which will lead to allowance of weather and freight derivatives. This will lead to availability of a number of instruments for producers, farmers, shippers and consumers, to enable them to manage their risks. This will ultimately lead to increased participation in the market. The merger will also bring about an overall improvement in the efficiency for participants in the market, and a drop in transaction costs.
- 2) Paving the way for revolutionizing the cashless payment services in the Country, the Reserve Bank of India granted payment bank licenses to 11 firms. Eventually, opportunities in financial sector are increasing which may lead to generate multiple avenues for growth and development.

However, we have made significant progress in exploring the new opportunities, the benefits of which will be reflected in our future financial performance and a refocused strategy on differentiated services is designed to ensure long term value creation for our shareholders.

To conclude, I would like to extend my thanks to the Networth Team for their exceptional achievements over the year, and to the external partners, customers and stakeholders who play such an important role in our success. I would like to thank our management team for their leadership strength which helped Networth to grow over last two decades. The entrepreneurial approach of the management team has been a true asset to the Company. It has enabled us to identify new markets in addition to providing high quality service to our customers.

With warm regards,

Vaibhav Shah
Managing Director

Place: Mumbai
Date: 14th August, 2015



NETWORTH STOCK BROKING LIMITED

CIN: L65920MH1993PLC075393

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

NOTICE is hereby given that the 22nd Annual General Meeting of the members of Networth Stock Broking Limited will be held on Wednesday, the 30th day of September, 2015 at 12.30 p.m. at Jayleela Banquet, Opp. Railway Nagar, Sonawala Road, Goregaon (East), Mumbai - 400063, Maharashtra, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Audited Financial Statements) for the year ended 31st March, 2015 together with the Reports of the Board of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Vaibhav Shah, (DIN 00572666) Managing Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai (having FRN: 107487W), as Statutory Auditors of the Company to hold office from the conclusion of forthcoming 22nd Annual General Meeting upto the conclusion of 26th Annual General Meeting for the financial year ending 31st March, 2019 and to fix their remuneration.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai (FRN: 107487W) as Statutory Auditors of the Company w.e.f. 18th July, 2015 upto the conclusion of this Annual General Meeting to fill up the casual vacancy caused consequent to the resignation of M/s. Yogesh Thakker & Co., Chartered Accountants, Mumbai (FRN: 111763W), be and is hereby approved.

RESOLVED FURTHER THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai (having FRN: 107487W), be and are hereby appointed as Statutory Auditors of the Company and they shall hold office from the conclusion of 22nd 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 2015-16 to 2018-19 and the Board of Directors of the Company be and is hereby authorized to fix the Auditors' remuneration as may be agreed upon between the Auditors and the Board of Directors of the Company."

SPECIAL BUSINESS :**4. Appointment of Mrs. Manju Bafna as Executive Director of the Company**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mrs. Manju Bafna (DIN: 01459885), who was appointed as an Additional Director of the Company w.e.f. 13th February, 2015 in accordance with the provisions of Sections 149, 152 and 161 and 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 herself as required under Section 160 of the Companies Act, 2013 signifying her intention to propose her 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, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the Act and 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 Mrs. Manju Bafna as Executive Director of the Company for a period of 3 (Three) years w.e.f. 13th February, 2015 till 12th February, 2018 be and is hereby approved on the following terms and conditions :

Sr. No.	Components	Per Month (Amount in ₹)
1.	Basic Salary	25,000
2.	Special Allowance	10,450
3.	House Rent Allowance	10,000
4.	Conveyance	800
5.	Leave Travelling Allowance	2,500
6.	Medical	1,250
	Total	50,000

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of Mrs. Manju Bafna as Executive Director of the Company, remuneration as approved by this resolution shall be payable as minimum remuneration.

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 to give effect to this resolution."



5. Appointment of Mr. Chetan Bohra as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Chetan Bohra (DIN: 03645353), who was appointed as an Additional Director (Independent) of the Company w.e.f. 13th February, 2015 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 12th February, 2020 and who shall not be liable to retire by rotation.

6. Change of name of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 and subject to approval of the Registrar of Companies, Maharashtra, Mumbai and other regulatory authorities, the consent of the members of the Company be and is hereby accorded to change the name of the Company from:

'NETWORTH STOCK BROKING LIMITED'

To

'MONARCH NETWORTH CAPITAL LIMITED'

RESOLVED FURTHER THAT consequent to the aforesaid change, the name "Networth Stock Broking Limited" wherever appearing in the Memorandum and Articles of Association of the Company be substituted with "Monarch Networth Capital Limited"

RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorized to sign and submit necessary papers, documents, forms, etc. with the Registrar of Companies (ROC) and/or any other authority (ies) and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable, for and on behalf of the Company, to give effect to the aforesaid resolution."

**By Order of the Board of Directors
For NETWORTH STOCK BROKING LIMITED'**

**Place : Mumbai
Date : 14th August, 2015**

**Sophia Jain
Company Secretary & Compliance Officer**

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. IN ORDER TO BE VALID, THE INSTRUMENT APPOINTING PROXY 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 a proxy on behalf of member or 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 (including through remote e-voting) or any adjournment thereof.
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. The Company is in receipt of relevant disclosures/consents from the Directors pertaining to their appointment/ re-appointment.
5. Pursuant to Clause 16 of the Listing Agreement, Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 26th day of September, 2015 to Wednesday 30th day of September, 2015 (both days inclusive).
6. The Register of Directors and Key Managerial Personnel and their Shareholdings, maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be open for inspection during the Annual General Meeting.
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 and Bank Account Details alongwith self-attested documentary proofs. Members holding shares in the dematerialised form may update such details with their respective Depository Participants.
9. Members holding shares in identical order of names in more than one folio 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 who hold shares in dematerialized form are requested to bring their client ID and DP ID for easier identification of attendance at the meeting. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
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 to enable the company to provide the information required at the meeting.
12. The Securities and Exchange Board of India (SEBI) 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 RTA of the Company - M/s. Skyline Financial Services Private Limited.
13. Members are requested to bring their Original photo ID (like PAN Card, Aadhar Card, Voter Identity Card, etc, having photo identity) while attending the meeting.
14. Members/Proxies are requested to bring duly filled Attendance Slip along with their copy of Annual Report at the time of the Meeting.
15. Non Resident Indian members are requested to inform the Company's RTA, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, IFSC and MICR Code, as applicable, if such details were not furnished earlier.
16. 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.
Members 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.
17. The Notice of the 22nd Annual General Meeting and instructions for remote e-voting alongwith Attendance Slip and proxy are being sent by courier to all members at their registered address.
18. Route Map for the venue of the proposed AGM of the company, is appearing at the end of the Annual Report.
19. **E-Voting process**

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 22nd Annual General Meeting to be held on Wednesday, 30th September, 2015. The Company has engaged the services of



Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The facility for voting, either through ballot / polling paper shall also be made available at the venue of the 22nd AGM. The members who have already cast their vote through remote e-voting may attend and participate at the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed M/s. Manish Ghia & Associates, Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed Wednesday, 23rd September, 2015 as the 'Cut-off Date'. The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. Wednesday, 23rd September, 2015, only. The e-voting facility is available at the link www.evotingindia.com

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

- (a) The remote e-voting period will commence on Sunday, 27th September, 2015 (10.00 a.m.) and ends on Tuesday, 29th September, 2015 (5.00 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) i.e. Wednesday, 23rd September, 2015, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (b) Open web browser during the voting period and log on to the e-voting website www.evotingindia.com
- (c) Now click on "Shareholders" to cast vote.
- (d) Fill up the following details in the appropriate boxes:
 - (i) Now Enter 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.
 - (iii) Member holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then existing password is to be used.
 - (iv) If member is 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 (printed on the address sticker) 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 Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
Dividend Bank Details or Date of Birth (DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d)(i).

- (e) After entering these details appropriately, click on "SUBMIT" tab.
- (f) Members holding shares in Physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily 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 password with any other person and take utmost care to keep password confidential.
- (g) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (h) Click on the EVSN for **NETWORTH STOCK BROKING LIMITED** on which member choose to vote.
- (i) On the voting page, Members 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 assent to the Resolution and option NO implies dissent to the Resolution.
- (j) Click on the 'Resolution File Link' to view the entire AGM Notice.
- (k) After selecting the resolution member have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. To confirm the vote, click on "OK", else to change vote, click on "CANCEL" and accordingly modify the vote.
- (l) Once member 'CONFIRM' the vote on the resolution, member will not be allowed to modify vote.
- (m) Member can also take out print of the voting done by clicking on "Click here to print" option on the Voting page.

- (n) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (o) Note for Institutional Shareholders and Custodian :
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Wednesday, 30th September, 2015.

(B) General:

- (a) In case of any queries regarding e-voting refer to the Frequently Asked Questions ('FAQs') and e-voting manual available at www.evotingindia.com under 'HELP' section or write an email to helpdesk.evoting@cdslindia.com.
- (b) Member can also update mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (c) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of i.e. Wednesday, 23rd September, 2015.
- (d) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday 23rd September, 2015, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com.
- (e) However, if member already registered with CDSL for remote e-voting then members can use their existing User ID and Password for casting their vote. If member forget password, member can reset their password by using "Forgot User Details/Password" option available on www.evotingindia.com
- (f) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- (g) The facility of voting through polling papers shall also be made available at the venue of 22nd AGM for all those members who are present at the AGM but have not Cast their votes by availing the remote e-voting facility.
- (h) In case, shareholders cast their vote through both remote e-voting and voting through polling paper, then vote casted through remote e-voting shall be considered and vote cast through polling paper shall be treated as invalid.
- (i) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (j) M/s. Manish Ghia & Associates, Company Secretaries, Mumbai has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting through polling paper and remote e-voting process in a fair and transparent manner.
- (k) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (l) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.



In pursuance of Clause 49(VIII) (E) 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. Vaibhav Shah	Mrs. Manju Bafna	Mr. Chetan Bohra
DIN	00572666	01459885	03645353
Date of Birth	17 th April, 1972	15 th January, 1963	24 th August, 1986
Nationality	Indian	Indian	Indian
Date of Appointment as Director	1 st December, 2014	13 th February, 2015	13 th February, 2015
Qualifications	B.Sc	B.Sc	CA
Designation	Managing Director / Promoter	Executive Director	Independent Director
Experience/Expertise	21 years of Experience in Capital Market	29 Years of Experience in Administration	7 Years of Experience in Accountancy
Shareholding in the Company (Equity shares of Rs. 10/- each)	27,12,000	15,07,500	Nil
List of directorships held in various other Companies	<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. Sur-Man Investment Limited 2. Samarpan Properties Private Limited 3. Simandhar Securities Private Limited 	Nil
List of Chairmanship of various Committee and Membership in Public Companies	NIL	NIL	Member in Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee of Networth Stock Broking Limited
Relationship with existing Directors of the Company	None	None	None

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

Consequent to the casual vacancy caused by the resignation of M/s. Yogesh Thakker & Co., Chartered Accountants, Mumbai (FRN: 111763W), w.e.f. 26th June, 2015, the Board of Directors on recommendation of the Audit Committee, approved the appointment of M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai (FRN: 107487W) w.e.f. 18th July, 2015, to fill the casual vacancy so caused.

In terms of Section 139(8) of the Companies Act, 2013 (the Act) any appointment of the Statutory Auditors in the casual vacancy arising as a result of resignation of an auditor has to be approved by the members at a general meeting within three months from the date of recommendation of the Board of Directors of the Company and the said office shall be held till the conclusion of the next Annual General Meeting. The Board of Directors proposes the appointment of M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of 22nd Annual General Meeting until the conclusion of 26th Annual General Meeting to be held for the financial year ending 31st March, 2019.

The Company has received a certificate from the Statutory Auditors 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 approval of the shareholders.

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

Item No. 4:

Mrs. Manju Bafna was appointed as an Additional Director of the Company w.e.f. 13th February, 2015. She is a Science Graduate and also possess experience of 29 years in Administration.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Manju Bafna holds office as such upto the date of ensuing Annual General Meeting. The Company has received a notice along with requisite deposit from herself under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director.

Mrs. Manju Bafna is also appointed as an Executive Director of the Company for a period of 3 (Three) year w.e.f. 13th February, 2015 on the terms and conditions as provided in resolution as set out at item no. 4 of the Notice. As per provisions of Schedule V of the Companies Act, 2013, the appointment and remuneration payable to Mrs. Manju Bafna 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 approval of the shareholders.

Except, Mrs. Manju Bafna, none of the Directors and Key Managerial Personnel of your Company or their relatives is concerned or interested in the said resolution.

Item No. 5:

Mr. Chetan Bohra was appointed as an Additional Director of the Company w.e.f. 13th February, 2015. He is a Commerce Graduate, Chartered Accountant and also possesses an experience of 7 years in Accountancy.

Pursuant to provisions of Section 161 of the Companies Act, 2013, Mr. Chetan Bohra holds 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. Chetan Bohra has given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013 to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notice along with requisite deposit from him under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director.

In the opinion of the Board, Mr. Chetan Bohra proposed to be appointed as an Independent Director fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management.

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

Except Mr. Chetan Bohra, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

Item No. 6:

The Hon'ble High Court of Gujarat, vide its order dated 3rd May, 2013 and the Hon'ble High Court of Mumbai vide its order dated 7th August, 2014 have approved the Scheme of Amalgamation of Monarch Research and Brokerage Private Limited (MRBPL) and Monarch Project and Finmarkets Limited (MPFL) with the Company. The certified copies of the said orders have been filed with the Registrar of Companies, Gujarat and Registrar of Companies, Mumbai, Maharashtra on 25th July, 2013 and 15th October, 2014 respectively. Accordingly the Scheme became effective from 15th October, 2014, being the later date on which the certified copy of the Hon'ble High Court orders sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra, Mumbai.

In order to reflect the amalgamation of entities, it is proposed to change the name of the Company from Network Stock Broking Limited to Monarch

Networth Capital Limited. The proposed name has been made available by ROC vide its letter dated 28th July, 2015

As per the provisions of Section 13 of the Companies Act, 2013, to change the name of the Company, approval of members is required by passing Special Resolution in general meeting.

Consequent to the change of name by the Company, the Memorandum and Articles of Association of the Company shall also require alteration in order to change the Name Clause and to substitute the name "Networth Stock Broking Limited" wherever appearing in the Memorandum and Articles of Association of the Company with "Monarch Networth Capital Limited". A copy of the draft altered Memorandum and Articles of Association will be available for inspection of shareholders at the registered office of the Company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting and during the Annual General Meeting.

The Board recommends the Special Resolution as set out at item no. 6 of the Notice for approval of the shareholders.

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

**By Order of the Board of Directors
For NETWORTH STOCK BROKING LIMITED**

Place : Mumbai

Date : 14th August, 2015

**Sophia Jain
Company Secretary & Compliance Officer**

DIRECTORS' REPORT

To
The Members of
Networth Stock Broking Limited

Your Directors present the 22nd Annual Report together with Financial Statements of the Company for the financial year ended 31st March 2015.

FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

Particulars	Year ended 31 st March 2015	Year ended 31 st March 2014
Total Revenue (net)	5340.32	3663.73
Profit before Finance Cost, Depreciation & Amortization expenses and Tax	1327.82	845.25
Finance Cost	555.30	565.43
Depreciation and Amortization expenses	331.15	304.66
Profit/(Loss) before exceptional items and tax	441.36	(24.84)
Add: Exceptional/Extraordinary Items and Prior Period Adjustments	(2.44)	(180.02)
Profit/(Loss) before tax	443.81	(204.85)
Less: Provision for tax	158.50	(138.36)
Profit / (Loss) after tax	285.31	(66.49)

FINANCIAL PERFORMANCE:

The total income of the Company for the year under review stood at ₹ 5340.32 Lacs (previous year ₹ 3663.73 Lacs). During the year the Company earned net profit of ₹ 285.31 Lacs (previous year loss of ₹ 66.49 Lacs).

LISTING OF SHARES:

The Board of Directors at its meeting held on 27th October, 2014 allotted 1,90,80,000 equity shares of ₹ 10/- each, pursuant to the sanction of Scheme of Amalgamation of Monarch Research and Brokerage Private Limited (MRBPL) and Monarch Projects and Finmarkets Limited (MPFL) with the Company by the Hon'ble High Court of Gujarat and Hon'ble High Court of Judicature at Bombay. The shares are in process of listing on Stock Exchange.

DIVIDEND:

In order to conserve the resources for future business requirements, your Directors do not recommend dividend for the year under review.

PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

EXTRACT OF ANNUAL RETURN:

An extract of Annual Return in Form MGT 9 is appended to this Report as **Annexure - I**

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Vaibhav Shah, Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board of Directors of the Company appointed Mrs. Manju Bafna as an Additional (Executive) Director and Mr. Chetan Bohra as an Additional (Independent) Director of the Company for a period of three years and five years respectively w.e.f. 13th February, 2015, subject to approval of shareholders at the ensuing Annual General Meeting. The Company has received a notice along with requisite deposit from each of them under Section 160 of Companies Act, 2013 proposing their candidature for the office of Director of the Company.

Your Board recommends their appointment / re-appointment of the above Directors.

During the year under review, the following changes had taken place in the Board of Directors of the Company:

Sr. No.	Name	Designation	Date of Appointment (During the year)	Date of Resignation
1.	Mr. Vaibhav Shah	Managing Director	1 st December, 2014	NA
2.	Mr. Mayukh Pandya	Independent Director	1 st December, 2014	NA
3.	Mr. Shailesh Desai	Independent Director	1 st December, 2014	NA
4.	Mrs. Manju Bafna	Executive Director	13 th February, 2015	NA
5.	Mr. Chetan Bohra	Independent Director	13 th February, 2015	NA
6.	Mr. Randhir Singh Sisodiya	Executive Director	23 rd June, 2014	w.e.f. closing hours of 1 st December, 2014
7.	Mr. Praveen Toshniwal	Independent Director	NA	w.e.f. closing hours of 1 st December, 2014
8.	Mr. Sanjay Motta	Independent Director	NA	w.e.f. closing hours of 1 st December, 2014
9.	Mr. Mohit Agrawal	Independent Director	NA	w.e.f. closing hours of 1 st December, 2014
10.	Mr. Manish Ajmera	Executive Director & CFO	NA	w.e.f. closing hours of 23 rd June, 2014

The Company has received declaration from all the Independent Directors of the Company 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.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchange are given in the Notice convening 22nd Annual General Meeting.

In accordance with the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Ashok Bafna was appointed as Chief Financial Officer of the Company w.e.f. 13th February, 2015.

During the year under review, Ms. Dipti Vira resigned from the post of Company Secretary & Compliance Officer of the Company w.e.f. 10th January, 2015. In accordance with the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Sophia Jain was appointed as Company Secretary & Compliance Officer w.e.f. 27th January, 2015.

MEETINGS OF THE BOARD:

The Board meets at regular intervals to discuss and decide on Company and business strategies. The notice of Board meeting is given well in advance to all the Directors of the Company. Usually, meetings of the Board are held in the registered office of the Company. The agenda of the Board / Committee meetings is circulated 7 (Seven) days prior to the date of the meeting.

The Board met 11 (eleven) times during the year, the details of which are given in the Report on Corporate Governance. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement

ANNUAL PERFORMANCE EVALUATION BY THE BOARD:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria.

The Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Committee, Nomination & Remuneration committees and Stakeholders Relationship Committees of the Company. The Board has devised questionnaire to evaluate the performances of each of executive, non-executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
- iv. Providing perspectives and feedback going beyond information provided by the management.
- v. Ability to contribute to and monitor our corporate governance practices

COMMITTEES OF THE BOARD:

There are currently three Committees of the Board, as follows:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the Report on Corporate Governance and forms part of this Annual Report.

AUDIT COMMITTEE AND ITS COMPOSITION:

The Audit Committee is duly constituted as per the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The composition of the Audit Committee is given in Report on Corporate Governance as required under Clause 49 of the Listing Agreement, which is annexed to this report.

The Audit Committee of the Company reviews the reports to be submitted to the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.

WHISTLE BLOWER POLICY:

The Company has adopted a Vigil mechanism / Whistle blower Policy to deal with instance of fraud and mismanagement, if any The Company had established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The details of the Vigil mechanism Policy is explained in the report of Corporate Governance and also posted on the website of the Company. We affirm that during the financial year 2014-15, no employee or director was denied access to the Audit Committee.

REMUNERATION POLICY:

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and on the recommendation of the Nomination and Remuneration Committee, the Board has adopted a Policy on criteria for appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The salient features of the Remuneration Policy are stated in the Report on Corporate Governance which forms part of this Annual Report.

RISKS AND AREAS OF CONCERN:

The Company has laid down a well-defined Risk Management Policy to identify the risk, analyse and to undertake risk mitigation actions. The Board of Directors regularly undertakes the detailed exercise for identification and steps to control them through a well-defined procedure.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 134(3)(c) of the Companies Act, 2013 and according to the information and explanations received by the Board, your Directors state that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors 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 and of the profit of the company for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARIES AND ASSOCIATE COMPANIES:

The Company has 5 (five) Subsidiary Companies. During the year, the Board of Directors ('the Board'), reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is appended as **Annexure II** to the Board's report. The statement also provides the details of performance, financial positions of each of the subsidiaries.

The Company does not have any Joint Venture. During the year under review, Monarch Insurance Broking Private Limited, subsidiary of erstwhile Monarch Project and Finmarkets Limited has become subsidiary of the Company pursuant to sanction of Scheme of Amalgamation. Further, during the year under review, Network Softtech Limited (NSL) has become associate company.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on the Company's website www.networkdirect.com. These documents will also be available for inspection at the registered office of the Company and of the subsidiary companies during business hours on all working days and during the Annual General Meeting.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of loans, guarantee or investment under Section 186 of the Companies Act, 2013 and information required under clause 32 of Listing Agreement form part of Notes to the Financial Statements provided in this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All Related Party Transactions entered during the year were in the Ordinary Course of Business and on Arm's Length basis. No Material Related Party Transactions, entered during the year by your Company as per Section 188 of the Companies Act, 2013 which require approval of the member. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act, 2013 in Form AOC-2 is not applicable.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There was no significant or material order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on company's operations in future.

STATUTORY AUDITORS:

M/s. Yogesh Thakker & Co., Chartered Accountants, Mumbai (Firm Regn. No. 111763W), submitted their resignation as Statutory Auditors of the Company on 26th June 2015. To fill the casual vacancy, the Board at its meeting held on 18th July, 2015 approved the appointment of M/s. Parekh Shah and Lodha, Chartered Accountants (Firm Regn. No. 107487W) as Statutory Auditors, subject to the approval of shareholders at the ensuing Annual General Meeting. M/s. Parekh Shah and Lodha has confirmed their eligibility and willingness to act as Statutory Auditors, if appointed, and the necessary certificate pursuant to Section 139(1) of the Companies Act, 2013 and rules made thereunder has been received from them.



Pursuant to Section 139(8) of the Companies Act, 2013, M/s. Parekh Shah and Lodha shall hold office till the conclusion of the ensuing Annual General Meeting.

In terms of the provisions of the Companies Act, 2013, any appointment of the Statutory Auditors in the casual vacancy arising as a result of resignation of an auditor, has to be approved by the Company at a general meeting within 3 months from the date of recommendation of the Board of Directors of the Company and the said office shall be held till the conclusion of the next Annual General Meeting. Hence, the Board of Directors proposes/recommends the appointment of M/s. Parekh Shah and Lodha, Chartered Accountants, as the Statutory Auditors of the Company to hold office till the conclusion of ensuing Meeting, subject to the approval of the members.

In furtherance, it is hereby recommended to appoint M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai to hold office from the conclusion of 22nd Annual General Meeting till the conclusion of 26th Annual General Meeting to be held for the financial year ending 31st March, 2019 and to audit financial accounts of the Company for the financial years from 2015-16 to 2018-19.

AUDITORS' REMARKS:

With respect to remark/ Observations or disclaimer made by the Auditors in their Report, we hereby state as under:

1. In connection to point no. 7 of Standalone and Consolidated Financial Statements for tax liability- There has been change in final tax liability in comparison to the provision made for income tax, but erroneously the benefit of carried forward losses or unabsorbed depreciation (whichever is less) on account of Amalgamation was not considered while finalizing the Accounts.
2. In connection point no. 9 and 10 related to Emphasis of Matter in Consolidated Financial Statements regarding going concern status and audit of the subsidiary and associate companies- The same are self explanatory

INTERNAL AUDITOR:

The Company has re- appointed M/s. Nautam Vakil & Co., Chartered Accountants, Ahmedabad as its Internal Auditor. The Internal Auditor has given his reports on quarterly basis to the Audit Committee.

Based on the report of internal audit, management undertakes corrective action in the respective areas and strengthens the levels of Internal Financial and other operational controls.

INTERNAL FINANCIAL CONTROL:

The Board has adopted policies and procedures for efficient conduct of business. The Audit Committee evaluates the efficacy and adequacy of financial control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and strives to maintain the Standard in Internal Financial Control.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Secretarial Audit Report received from M/s. Manish Ghia & Associates, Practising Company Secretaries, Mumbai is provided in **Annexure III** and forms part of this Annual report.

STOCK EXCHANGE:

The Equity Shares of the Company are listed at BSE Limited. The Company has paid the Annual listing fees for the year 2015-16 to the said Stock Exchange.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the BSE Limited, the following have been made a part of the Annual Report:

- Management Discussion and Analysis
- Report on Corporate Governance
- Certificate regarding compliance of conditions of Corporate Governance

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

The Company has zero tolerance for sexual harassment at workplace and adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint on sexual harassment during the year under review.

PARTICULARS OF REMUNERATION:

Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, details of the ratio of remuneration of each Director to the median employee's remuneration are appended to this report as **Annexure IV**.

During the year under review, no employee was in receipt of remuneration exceeding the limits as prescribed under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, details regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo for the year under review are as follows:

A. Conservation of Energy

- a. Steps taken or impact on conservation of energy - The Operations of the Company do not consume energy intensively. However, the Company continues to implement prudent practices for saving electricity and other energy resources in day-to-day activities.
- b. Steps taken by the Company for utilizing alternate sources of energy - Though the activities undertaken by the Company are not energy intensive, the Company shall explore alternative sources of energy, as and when the necessity arises.
- c. The capital investment on energy conservation equipment - Nil

B. TECHNOLOGY ABSORPTION

- a. The efforts made towards technology absorption - The Company continues to take prudential measures in respect of technology absorption, adaptation and take innovative steps to use the scarce resources effectively.
- b. The benefits derived like product improvement, cost reduction, product development or import substitution- Not Applicable
- c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable
- d. The expenditure incurred on Research and Development - Not Applicable

The Particulars of Foreign Exchange and Outgo for the year under review are as follows:

(₹. in Lacs)

Particulars	Year ended 31 st March 2015	Year ended 31 st March 2014
Foreign exchange earning	Nil	0.10
Foreign exchange Outgo	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: 14th August, 2015

Vaibhav Shah
Managing Director

Manju Bafna
Executive Director

ANNEXURE- I

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

(As on the financial year ended on 31st March, 2015)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L65920MH1993PLC075393
ii	Registration Date	2 nd December, 1993
iii	Name of the Company	Networth Stock Broking Limited
iv	Category/ Sub-Category of the Company	Public Company limited by shares
v	Address of the Registered office and contact details	Office no.901/902, 9 th Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063 Tel: 022-30641600 Fax: 022-2685 0257 Email - reachus@networthdirect.com Website – www.networthdirect.com
vi	Whether listed company	Yes BSE Limited
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Pvt. Ltd. D- 153A, 1 st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020. Tel: 011-26812682/83 Email: admin@skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Security and commodity contracts brokerage	6612	70.06

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of Company	CIN	Holding / Subsidiary / Associate	% of Shares held	Applicable section
1.	Networth Commodities & Investments Limited Office no.901/902, 9 th Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063.	U67120MH2000PLC128451	Subsidiary	99.96	2 (87) (ii)
2.	Networth Wealth Solutions Limited Office no.901/902, 9 th Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon(East), Mumbai 400063.	U67120MH2008PLC179566	Subsidiary	100.00	2 (87) (ii)
3.	Networth Insurance Broking Private Limited Office no.901/902, 9 th Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063.	U66030MH2008PTC184334	Subsidiary	100.00	2 (87) (ii)
4.	Ravisha Financial Services Private Limited Office no.901/902, 9 th Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063.	U65900MH1996PTC100919	Subsidiary	100.00	2 (87) (ii)
5.	Monarch Insurance Broking Private Limited A/64, Pariseema Complex, Opp. LalBungalow, C. G. Road, Ellisbridge, Ahmedabad, Gujarat - 380006.	U74140GJ2007PTC052348	Subsidiary	99.98	2 (87) (ii)
6.	Networth Financial Services Limited Office no.901/902, 9 th Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063.	U65990MH2004PLC147970	Associate	45.32	2 (6)
7.	Networth Softtech Limited Office no.901/902, 9 th Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063.	U72200MH2007PLC172069	Associate	20.10	2 (6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the beginning of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares*	
A. Promoter									
(1) Indian									
(a) Individual /HUF	3571287	0	3571287	31.80	18832287	0	18832287	62.13	30.33
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	0	0	0	0.00	1407000	0	1407000	4.64	4.64
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1)	3571287	0	3571287	31.80	20239287	0	20239287	66.77	34.97
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of promoters (A)	3571287	0	3571287	31.80	20239287	0	20239287	66.77	34.97
B. Public									
(1) Institutions									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks / FI	298845	300	299145	2.66	298845	300	299145	0.99	-1.68
(c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	9155	0	9155	0.08	0	0	0	0.00	-0.08
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	308000	300	308300	2.74	298845	300	299145	0.99	-1.76
(2) Non Institutions									
(a) Bodies Corp.	2366162	11651	2377813	21.17	4596496	11651	4608147	15.20	-5.97
(i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	1740760	259784	2000544	17.81	1759724	255435	2015159	6.65	-11.16
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	2440151	0	2440151	21.73	2692333	0	2692333	8.88	-12.84
(c) Others									0.00
NRI - Repatriable & Non Repatriable	119059	0	119059	1.06	118061	0	118061	0.39	-0.67
Hindu Undivided Family	411738	0	411738	3.67	329090	0	329090	1.09	-2.58
Clearing Members	1608	0	1608	0.01	1223	0	1223	0.00	-0.01
Qualified Foreign Investor- Corporate Directors & their relatives & their friends	0	0	0	0.00	9155	0	9155	0.03	0.03
Sub-total (B)(2)	7080578	271435	7352013	65.46	9506082	267086	9773168	32.24	-33.22
Total Public Shareholding (B)	7388578	271735	7660313	68.20	9804927	267386	10072313	33.23	-34.97
C. Shares held by custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	10959865	271735	11231600	100.00	30044214	267386	30311600	100.00	0.00

* Note : The total number of shares has increased due to allotment of equity shares pursuant to sanction of scheme of amalgamation.

ii. Shareholding of Promoters and Promoters' Group:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the beginning of the year			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pedged / encumbered to total shares	No. of Shares	% of Total Shares of the Company*	% of Shares Pedged / encumbered to total shares	
1.	Mr. Suresh P Jain	3292137	29.31	0	3292137	10.86	0	-18.45
2.	Ms. Kanta Suresh Jain	278300	2.48	0	278300	0.92	0	-1.56
3.	Mr. Raj Bhandari	850	0.01	0	850	0.00	0	0.00
4.	Ms. Himangi shah	0	0	0	100000	0.33	0	0.33
5.	Mr. Ashok Bafna	0	0	0	703500	2.32	0	2.32
6.	Mr. Shailen Shah	0	0	0	703500	2.32	0	2.32
7.	Ms. Kinnari Shah	0	0	0	1204000	3.97	0	3.97
8.	Mr. Himanshu Shah	0	0	0	1206000	3.98	0	3.98
9.	Ms. ManjuBafna	0	0	0	1507500	4.97	0	4.97
10.	Mr. Bankim Shah	0	0	0	2206000	7.28	0	7.28
11.	Ms. Belaben Shah	0	0	0	2406000	7.94	0	7.94
12.	Mr. Suresh Bafna	0	0	0	2512500	8.29	0	8.29
13.	Mr. Vaibhav Shah	0	0	0	2712000	8.95	0	8.95
14.	M/s. Simandhar Securities Pvt. Ltd.	0	0	0	1407000	4.64	0	4.64
	Total	3571287	31.80	0	20239287	66.77	0.00	34.97

* Note : The total number of shares has increased due to allotment of equity shares pursuant to sanction of scheme of amalgamation.

iii. Change in Promoters' Shareholding:

Sr. No.	For each of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company*
1	Mr. Suresh P Jain	3292137	29.31		
	a) At the Beginning of the Year				
	b) Changes during the Year			No Changes During the Year	
	c) At the end of the Year			3292137	10.86
2	Ms. Kanta Suresh Jain				
	a) At the Beginning of the Year	278300	2.48		
	b) Changes during the Year			No Changes During the Year	
	c) At the end of the Year			278300	0.92
3	Mr. Raj Bhandari				
	a) At the Beginning of the Year	850	0.01		
	b) Changes during the Year			No Changes During the Year	
	c) At the end of the Year			850	0.00
4	Mrs. Himangi Shah				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year			No Changes During the Year	
	Date	Reason			
	27.10.2014	Allotment pursuant to Merger	100000	0.33	100000 0.33
	c) At the end of the Year			100000	0.33
5	Mr. Ashok Bafna				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year			No Changes During the Year	
	Date	Reason			
	27.10.2014	Allotment pursuant to Merger	703500	2.32	703500 2.32
	c) At the end of the Year			703500	2.32

Sr. No.	For each of the Promoter		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company*
6	Mr. Shailen Shah					
	a) At the Beginning of the Year		0	0.00		
	b) Changes during the Year					
	Date	Reason				
	27.10.2014	Allotment pursuant to Merger	703500	2.32	703500	2.32
	c) At the end of the Year				703500	2.32
7	Ms. Kinnari Shah					
	a) At the Beginning of the Year		0	0.00		
	b) Changes during the Year					
	Date	Reason				
	27.10.2014	Allotment pursuant to Merger	1204000	3.97	1204000	3.97
	c) At the end of the Year				1204000	3.97
8	Mr. Himanshu Shah					
	a) At the Beginning of the Year		0	0.00		
	b) Changes during the Year					
	Date	Reason				
	27.10.2014	Allotment pursuant to Merger	1206000	3.98	1206000	3.98
	c) At the end of the Year				1206000	3.98
9	Ms. Manju Bafna					
	a) At the Beginning of the Year		0	0.00		
	b) Changes during the Year					
	Date	Reason				
	27.10.2014	Allotment pursuant to Merger	1507500	4.97	1507500	4.97
	c) At the end of the Year				1507500	4.97
10	Mr. Bankim Shah					
	a) At the Beginning of the Year		0	0.00		
	b) Changes during the Year					
	Date	Reason				
	27.10.2014	Allotment pursuant to Merger	2206000	7.28	2206000	7.28
	c) At the end of the Year				2206000	7.28
11	Ms. Belaben Shah					
	a) At the Beginning of the Year		0	0.00		
	b) Changes during the Year					
	Date	Reason				
	27.10.2014	Allotment pursuant to Merger	2406000	7.94	2406000	7.94
	c) At the end of the Year				2406000	7.94
12	Mr. Suresh Bafna					
	a) At the Beginning of the Year		0	0.00		
	b) Changes during the Year					
	Date	Reason				
	27.10.2014	Allotment pursuant to Merger	2512500	8.29	2512500	8.29
	c) At the end of the Year				2512500	8.29
13	Mr. Vaibhav Shah					
	a) At the Beginning of the Year		0	0.00		
	b) Changes during the Year					
	Date	Reason				
	27.10.2014	Allotment pursuant to Merger	2712000	8.95	2712000	8.95
	c) At the end of the Year				2712000	8.95

Sr. No.	For each of the Promoter		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company*
14	M/s. Simandhar Securities Pvt. Ltd.					
	a) At the Beginning of the Year		0	0.00		
	b) Changes during the Year					
	Date	Reason				
	27.10.2014	Allotment pursuant to Merger	1407000	4.64	1407000	4.64
	c) At the end of the Year				1407000	4.64

* Note : The total number of shares has increased due to allotment of equity shares pursuant to sanction of scheme of amalgamation.

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

Sr. No.	For each of the top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Metaphore Realty Investments Pvt. Ltd.					
	a) At the Beginning of the Year		0	0.00		
	b) Changes during the Year					
	Date	Reason				
	27.10.2014	Allotment pursuant to Merger	2412000	7.96	2412000	7.96
	c) At the end of the Year				2412000	7.96
2	DSP HMK Holdings Pvt. Ltd.					
	a) At the Beginning of the Year		527000	4.69		
	b) Changes during the Year					
	Date	Reason				
	19.09.2014	Sale	6001	0.05	520999	4.65
	30.09.2014	Sale	1956	0.02	519043	4.62
	c) At the end of the Year				519043	1.71
3	Spot Light Securities Pvt Ltd					
	a) At the Beginning of the Year		480545	4.28		
	b) Changes during the Year				No Changes During the Year	
	c) At the end of the Year				480545	1.59
4	Fruition Venture Limited					
	a) At the Beginning of the Year		350000	3.12		
	b) Changes during the Year				No Changes During the Year	
	c) At the end of the Year				350000	1.15
5	Mr. Prithviraj Babulal Bafna					
	a) At the Beginning of the Year		320000	2.85		
	b) Changes during the Year				No Changes During the Year	
	c) At the end of the Year				320000	1.06
6	M/s. Punjab National Bank					
	a) At the Beginning of the Year		298845	2.66		
	b) Changes during the Year				No Changes During the Year	
	c) At the end of the Year				298845	0.99
7	M/s. Innovate Derivatives Pvt. Ltd.					
	a) At the Beginning of the Year		162500	1.45		
	b) Changes during the Year				No Changes During the Year	
	c) At the end of the Year				162500	0.54



Sr. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
8	Ms. Usha Mahendra Sanghvi				
	a) At the Beginning of the Year	151270	1.35		
	b) Changes during the Year			No Changes During the Year	
	c) At the end of the Year			151270	0.50
9	M/s. Teletec Finsec India. Pvt. Ltd.				
	a) At the Beginning of the Year	142145	0.47		
	b) Changes during the Year			No Changes During the Year	
	c) At the end of the Year			142145	0.47
10	Mr. Hemant Rajendrabhai Shah				
	a) At the Beginning of the Year	0	0		
	b) Changes during the Year				
	Date	Reason			
	27.03.2015	Purchase	136847	0.45	136847
	c) At the end of the Year			136847	0.45
11	Ms. Pushpaben Gadhecha				
	a) At the Beginning of the Year	134750	1.20		
	b) Changes during the Year			No Changes During the Year	
	c) At the end of the Year			134750	0.44
12	Mr. Prakash M Sanghvi				
	a) At the Beginning of the Year	100687	0.90		
	b) Changes during the Year			No Changes During the Year	
	c) At the end of the Year			100687	0.33

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	For each of the Directors and KMPs	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company*
1	Mr. Suresh P Jain				
	a) At the Beginning of the Year	3292137	29.31		
	b) Changes during the Year			No Changes during the year	
	c) At the end of the Year			3292137	10.86
2	Mr. Vaibhav Shah (w.e.f 1st December, 2014)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year				
	Date	Reason			
	27.10.2014	Allotment pursuant to Merger	2712000	8.95	2712000
	c) At the end of the Year			2712000	8.95
3	Ms. Manju Bafna (w.e.f. 13th February, 2015)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year				
	Date	Reason			
	27.10.2014	Allotment pursuant to Merger	1507500	4.97	1507500
	c) At the end of the Year			1507500	4.97

Sr. No.	For each of the Directors and KMPs	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company*
4	Mr. Chetan Bohra (w.e.f 13 th February, 2015)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year	No Changes During the Year			
	c) At the end of the Year			1500	0.00
5	Mr. Mayukh Pandya (w.e.f 1 st December, 2014)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year	No Changes During the Year			
	c) At the end of the Year			0	0.00
6	Mr. Shailesh Desai (w.e.f 1 st December, 2014)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year	No Changes During the Year			
	c) At the end of the Year			0	0.00
7	Ms. Sophia Jain, CS (w.e.f 27 th January, 2015)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year	No Changes During the Year			
	c) At the end of the Year			0	0.00
8	Mr. Ashok Bafna , CFO (w.e.f 13 th February, 2015)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year	No Changes During the Year			
	Date	Reason			
	27.10.2014	Allotment pursuant to Merger	703500	2.32	703500 2.32
	c) At the end of the Year			703500	2.32
9	Mr. Manish Ajmera (upto 23 rd June, 2014)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year	No Changes During the Year			
	c) At the end of the Year			0	0.00
10	Mr. Randhir Singh Sisodiya (w.e.f 23 rd June, 2014 and upto 1 st December, 2014)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year	No Changes During the Year			
	c) At the end of the Year			0	0.00
11	Mr. Praveen Toshniwal (upto 1 st December, 2014)				
	a) At the Beginning of the Year	1100	0.01		
	b) Changes during the Year	No Changes During the Year			
	c) At the end of the Year			NA	NA
12	Mr. Sanjay Motta (upto 1 st December, 2014)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year	No Changes During the Year			
	c) At the end of the Year			0	0.00
13	Mr. Mohit Agrawal (upto 1 st December, 2014)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year	No Changes During the Year			
	c) At the end of the Year			0	0.00
14	Ms. Dipti Vira (upto 10 th January, 2015)				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the Year	No Changes During the Year			
	c) At the end of the Year			0	0.00

* Note : The total number of shares has increased due to allotment of equity shares pursuant to sanction of scheme of amalgamation.

VI. INDEBTEDNESS:

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	480867	3000000	-	3480867
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	480867	3000000	-	3480867
Changes in indebtedness during the financial year				
> Addition	900000	-	-	900000
> Reduction	444933	-	-	444933
Net Change	455067	-	-	455067
Indebtedness at the end of the financial year				
i) Principal Amount	935934	3000000	-	3935934
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	935934	3000000	-	3935934

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**i. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Particulars of Remuneration	Name of MD / WTD / Manger				Total Amount (in ₹)
	Mr. Vaibhav Shah Managing Director (w.e.f. 1.12.2014)	Mr. Manish Ajmera Executive Director & CFO (upto 23.06.2014)	Mr. Randhir Singh Sisodiya Executive Director (w.e.f. 23.06.2014 till 01.12.2014)	Mrs. Manju Banfa Executive Director (w.e.f. 13.02.2015)	
Gross Salary:					
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2191200	493720	425000	590742	3700662
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-	-
Stock Option	-	-	-	-	-
Sweat Equity	-	-	-	-	-
Commission	-	-	-	-	-
- as % of profits	-	-	-	-	-
- others, specify	-	-	-	-	-
Others, specify	-	-	-	-	-
Total	2191200	493720	425000	590742	3700662
Ceiling as per the Act	As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act				

ii. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Independent Director						Non - Executive Chairmen Mr. S. P. Jain	Total Amount (in ₹)
		Mr. Mohit Agrawal	Mr. Praveen Toshniwal	Mr. Sanjay Motta	Mr. Mayukh Pandya	Mr. Shailesh Desai	Mr. Chetan Bohra		
		(Upto 01.12.14)	(Upto 01.12.14)	(Upto 01.12.14)	(w.e.f. 01.12.14)	(w.e.f. 01.12.14)	(w.e.f. 13.02.15)		
1	Sitting Fees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Commission								
	- as % of profit								
	- others, specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act	As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act.							

iii. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

Particulars of Remuneration	Key Managerial Personnel			Total Amount (in ₹)
	Ms. Dipti Vira (upto 10.01.2015)	Ms. Sophia Jain (w.e.f. 27.01.2015)	Mr. Ashok Bafna (w.e.f. 13.02.2015)	
	Company Secretary Compliance Officer	Company Secretary Compliance Officer	Chief Financial Officer	
Gross Salary:				
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	276860	61727	425419	764006
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
- as % of profits	-	-	-	-
- others, specify	-	-	-	-
Others, specify	-	-	-	-
Total	276860	61727	425473	764006
Ceiling as per the Act	As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act.			

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES: None

ANNEXURE II
Form AOC-1

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014
Statement containing salient features of the Financial Statement of Subsidiary Companies/Associate Companies/Joint Ventures

PART A - SUBSIDIARY COMPANIES

(₹ In Lacs)

Particulars	Networth Commodities & Investments Ltd.	Networth Wealth Solutions Ltd.	Ravisha Financial Services Pvt. Ltd.	Networth Insurance Broking Pvt. Ltd.	Monarch Insurance Broking Pvt. Ltd.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
Equity Share Capital	140.07	100.00	500.00	1.00	50.00
Reserves 18.55	(1082.79)	(262.04)	(0.62)	(4.46)	
Total Assets	629.88	74.62	1348.02	3.13	50.14
Total Liabilities	471.26	1057.41	1110.06	2.75	4.60
Investments (except in subsidiary companies)	0.49	0.00	0.00	0.00	0.00
Total Turnover	182.39	193.44	279.40	0.00	0.00
Profit/(Loss) before Taxation	31.19	41.63	24.23	(0.19)	(0.21)
Provision for Taxation	6.06	7.95	3.13	0.00	0.00
Profit/(Loss) after Taxation	25.13	33.68	21.10	(0.19)	(0.21)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00
% of shareholding	99.95	100.00	100.00	100.00	100.00

* Wholly owned subsidiary of Erstwhile Transferor Company of Monarch Project and Finmarkets Limited

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year: None

PART B - ASSOCIATES AND JOINT VENTURES

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

(₹ In Lacs)

Sr No.	Name of the Associates	Networth Financial Services Limited	Networth SoftTech Ltd.
1	Latest audited Balance Sheet Date	31.03.2015	31.03.2015
2	Shares of Associate/Joint Ventures held by the company on the year end		
	No.	949400	1500000
	Amount of Investment in Associates/Joint Venture	9494000	15000000
	Extend of Holding %	45.32	20.91
3	Description of how there is significant influence	Shares held in the company	Shares held in the company
4	Reason why the associate/joint venture is not consolidated	NA	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet		
6	Profit / Loss for the year		
	i. Considered in Consolidation	1.81	11.92
	i. Not Considered in Consolidation	NA	NA

- Names of associates which are yet to commence operations: None
- Names of associates/Joint Ventures which have been liquidated or sold during the year: None

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May, 2015

S. P. Jain
Chairman

Vaibhav Shah
Managing Director

Ashok Bafna
Chief Financial Officer

Sophia Jain
Company Secretary & Compliance Officer



ANNEXURE- III

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Networth Stock Broking Limited

Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Networth Stock Broking Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the company during the audit period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the company during the audit period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October, 2014 (**Not applicable to the company during the audit period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the company during the audit period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the company during the audit period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the company during the audit period**);
- (vi) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996; Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992; and Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, in so far as submission of various returns/information or other particulars to be filed with under these Regulations;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (**Not applicable as Secretarial Standards were not notified during the audit period**);
- (ii) The Listing Agreement entered into by the Company with BSE Ltd., Mumbai.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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



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

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

We further report that during the audit period:

1. the Scheme of Amalgamation of Monarch Research & Brokerage Pvt. Ltd. and Monarch Project and Finmarkets Ltd. with the Company which was already sanctioned by Hon'ble High Court of Gujarat on 3rd May 2013, received the sanction of Hon'ble High Court of Bombay on 7th August 2014; the Scheme became effective from 15th October, 2014 upon filing of the certified copy of the said order of High Court of Bombay with Registrar of Companies, Mumbai; the order of High Court of Gujarat had already been filed by the company with Registrar of Companies, Gujarat on 25th July 2013; the appointed date of the Scheme of Amalgamation was w.e.f. 1st April, 2010;
2. the company passed a Special Resolution under Section 180(1)(c) of the Act in the 21st Annual General Meeting held on 31st December, 2014 enabling borrow of funds in excess of its aggregate of paid up share capital and free reserves and up to a maximum limit of Rs.500 crores;
3. the company passed Special Resolution under Section 180(1)(a) of the Act, in the 21st Annual General Meeting held on 31st December, 2014 for creation of mortgage/charge on the properties of the company up to the overall borrowing limit approved under section 180(1)(c) of the Act; and
4. the company passed Special Resolution under Section 186 of the Act, in the 21st Annual General Meeting held on 31st December, 2014 enabling the company to extend loan to any person or body corporate or give guarantee or provide security in connection with a loan or to acquire by way of subscription, purchase or otherwise securities in any other body corporate up to a maximum limit of ₹ 500 crores.

For Manish Ghia & Associates
Company Secretaries

Place : Mumbai

Date : 12th August 2015

CS Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Networth Stock Broking Limited
Mumbai

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Manish Ghia & Associates
Company Secretaries

Place : Mumbai
Date: 12th August 2015

CS Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531



ANNEXURE IV

Details of the ratio of remuneration of each Director to the median employee's remuneration

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-

Sr. No.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. Suresh P. Jain	NA
2	Mr. Vaibhav Shah (w.e.f 1 st December, 2014)	7.64:1
3	Ms. Manju Bafna(w.e.f.13 th February, 2015)	4.13:1
4	Mr. Chetan Bohra(w.e.f 13 th February, 2014)	NA
5	Mr. Mayukh Pandya (w.e.f 1 st December, 2014)	NA
6	Mr. Shailesh Desai (w.e.f 1 st December, 2014)	NA

(ii) The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year

Sr. no.	Name of the Directors, KMP	% Increase over last F.Y.
1	Mr. Vaibhav Shah (w.e.f 1 st December, 2014)	NA*
2	Ms. Manju Bafna(w.e.f.13 th February, 2015)	NA*
3	Mr. Ashok Bafna(w.e.f 13 th February, 2015)	NA*
4	Ms. Sophia Jain (w.e.f 27 th January, 2015)	NA*

* The percentage increase cannot be determined as they are appointed during the year.

(iii)	The percentage increase in the median remuneration of employees in the financial year	15
(iv)	The number of permanent employees on the rolls of the Company	431
(v)	The explanation on the relationship between average increase in remuneration and company performance	The increase in Remuneration is based on the performance of the Company for year ended 31.03.2014 as compared to the performance of the Company for the year ended 31.03.2013 and on the individual performance of the employees.
(vi)	Comparison of the remuneration of the KMP against the performance of the Company	The Remuneration of KMPs is based on their individual performance and the contribution made by them for the business prospects of the Company.
(vii)	Variation in the market capitalization of the company, price earnings ratio as at the close date of the current financial year and previous financial year and the percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year	

Sr. no.	Particulars	As on 31 st March, 2015	As on 31 st March, 2014	Variation %
1	Market Capitalization	29	16.5	75.76
2	Price earning ratio	30.08	-27.97	-210.32
3	Market quotation of shares	The Company's stock price as at 31 st March, 2015 has increased by 190% to 29/- over the last public offer i.e. IPO in 1995 at a price of ₹ 10/- per share.		
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in the remuneration of other employees is 20%		
(x)	The key parameters for any variable component of remuneration availed by the directors	NA		
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	NA		

We hereby confirm that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the Company.

Place: Mumbai
Date: 14th August, 2015

Vaibhav Shah
Managing Director

Mayukh Pandya
Chairman of Nomination and
Remuneration Committee



MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31st, March, 2015. 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.

ACTIVITY:

The Company is engaged in providing Stock Broking, Depository and Merchant Banking Services.

FUTURE OUTLOOK:

Based on the buoyancy of the Indian Economy, the overall scenario and steps taken by the management, the future outlook of your company looks good.

SEGMENT-WISE PERFORMANCE:

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

SUBSIDIARY COMPANIES:

As on 31st March, 2015, 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. Monarch Insurance Broking Pvt. Ltd.

RISK MANAGEMENT & INTERNAL CONTROL SYSTEM:

As per the Provisions of Section 134(3) of the Companies Act, 2013 ('the Act') the company as a part of the Board's Report needs to give a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company. Additionally, Clause 49 of Listing Agreement requires to lay down procedures about the risk assessment and risk minimization.

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. The Board of Directors of the Company and Audit Committee shall periodically review the risk management policy of the Company so that management controls the risk through properly defined network. 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 2015-16 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.

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, 2015 stood at 443.

DISCUSSION ON FINANCIAL / OPERATIONAL PERFORMANCE:

Particulars	2014-15	2013-14	2012-13
Total Revenue	534,032,374	366,372,904	206,781,372
EBIDTA	132,781,766	84,524,995	34,812,272
PBT	44,380,876	(20,485,402)	2,907,803
PAT	28,531,202	(6,649,135)	7,791,602
EPS	0.94	(0.59)	0.69

ENVIRONMENTAL ISSUES:

As the company is not in the field of manufacture, the matter relating to produce any harmful gases and the liquid effluents are not applicable.

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. CORPORATE GOVERNANCE:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy of Corporate Governance emphasizes on maintaining the highest level of accountability, 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 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:

The Board of Directors of the Company has optimum combination of Executive and Non-Executive/Independent Directors. As on 31st March, 2015, the Board of Directors comprised of 6 (Six) directors out of which 4 (Four) were Non-Executive Directors and 2 (Two) Executive Directors. Moreover, 3 (Three) are Non-Executive/Independent Directors. The Chairman of the Board is Non-Executive Director.

As required under Section 149(3) of the Companies Act, 2013 and Clause 49 II(A) of the Listing Agreement, Mrs. Manju Bafna, a Woman Director, has been appointed as an Executive Director on the Board w.e.f 13th February, 2015.

The composition of the Board of Directors is in compliance with the requirements of Clause 49 of the Listing Agreement.

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

b. Board Meetings

During the financial year 2014-15, 11 (Eleven) meetings of Board of Directors were held on viz., 30th April, 2014, 5th June, 2014, 20th June, 2014, 23rd June, 2014, 13th August, 2014, 27th October, 2014, 14th November, 2014, 30th November, 2014, 1st December, 2014, 27th January, 2015 and 13th February, 2015.

The details of composition of the Board of Directors, their attendance at each Board meeting held during the financial year 2014-15 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	As on 31 st March, 2015 (Excluding position in the Company)		
					No. of Directorships	Committee	
						Chairmanship(s)	Membership(s)
Mr. S. P. Jain	C/P /NED	11	11	No	5	–	2
Mr. Vaibhav J. Shah (w.e.f. 1 st December, 2014)	P/MD	3	3	Yes	0	–	–
Mrs. Manju S. Bafna (w.e.f. 13 th February, 2015)	P/ED	1	1	No	1	–	–
Mr. Mayukh Pandya (w.e.f. 1 st December, 2014)	I/NED	3	3	No	2	–	1
Mr. Shailesh Desai (w.e.f. 1 st December, 2014)	I/NED	3	3	No	0	–	–

Name	Category	No. of Board Meetings Held	No. of Board Meetings Attended	Whether attended last AGM	As on 31 st March, 2015 (Excluding position in the Company)		
					No. of Directorships	Committee	
						Chairmanship(s)	Membership(s)
Mr. Chetan Bohra (w.e.f. 13 th February, 2015)	I/NED	1	1	No	0	–	–
Mr. Manish Ajmera (upto 23 rd June, 2015)	ED/CFO	4	4	No	0	–	–
Mr. Praveen Toshniwal (upto 1 st December, 2014)	I/NED	9	9	No	0	–	–
Mr. Sanjay Motta (upto 1 st December, 2014)	I/NED	9	9	No	0	–	–
Mr. Mohit Agrawal (upto 1 st December, 2014)	I/NED	9	9	No	1	–	–
Mr. Randhir Singh Sisodiya (w.e.f. 23 rd June, 2014 and upto 1 st December, 2014)	ED	6	6	No	5	–	–

Notes:

1. C – Chairman, P – Promoter, I – Independent Director, MD- Managing Director, NED – Non Executive Director, ED – Executive Director, CFO – Chief Financial Officer, CEO- Chief Executive Officer
2. 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.
3. The directorship held by directors as mentioned above do not include Directorship in private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.



c. Procedure adopted by the Board:

The Company Secretary in consultation with Chairman of the Company and Managing Director/ 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 one hundred and twenty days.

d. Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 13th February, 2015 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole and the quality, quantity and timeliness of flow of information between the Company management and the Board.

e. Directors Familiarization programme:

The Company undertakes necessary induction programme for new Directors and ongoing training for existing Directors. The new directors are briefed about the Company processes and to familiarize them with the business activities of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The induction process is designed to:

- build an understanding of the Company processes and
- fully equip Directors to perform their role on the Board effectively

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of Director's induction and familiarization are available on the Company's website at www.networthdirect.com.

f. Code of Conduct and Certificate on Compliance of Corporate Governance:

The Board of Directors has laid down a Code of Conduct applicable to all the Board members and all the employees in the management grade of the Company. This Code of Conduct emphasizes the Company's commitment to Compliance with the highest standards of legal and ethical behavior. This Code of Conduct is available on the website of the company at www.networthdirect.com.

All Directors and senior management have adhered to the Code of Conduct of the company during the year and have signed declarations in compliance with the Code of Conduct. The declaration signed by Mr. Vaibhav Shah, Managing Director is given separately in the Annual Report.

A Certificate from practicing Company Secretary on Compliance of provisions related to Corporate Governance as stipulated in Clause 49 of the Listing Agreement by the Company is also annexed to this report.

g. Vigil Mechanism / Whistle Blower Policy:

The Company promotes ethical behavior in all its business activities and adopted Vigil Mechanism/Whistle Blower Policy to report unethical and fraudulent behavior. Under the said policy the employee, vendors and customers can report any suspected or confirmed incident of fraud, misconduct, unethical behavior etc. to the Company. This will ensure fraud-free work & ethical environment.

Written communication to:

Ms. Sophia Jain

Company Secretary

Networth Stock Broking Limited

Office No. 901/902, 9th Floor, Atlanta Centre,

Opp. Udyog Bhavan, Sonawala Road,

Goregoan (East), Mumbai 400063

E-mail: cs@networthdirect.com

Phn: 022 – 3064 1600

Fax: 022 -2685 0257

The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and direct access to the Chairman of the Audit Committee is also available in exceptional cases. The Whistle Blower Policy is available on the website of the Company viz., www.networthdirect.com.

h. Committees of the Board:

The Board of Directors of the Company has constituted the following Committees:

- (i) Audit Committee
- (ii) Stakeholders' Relationship Committee
- (iii) Nomination and Remuneration Committee

3. AUDIT COMMITTEE:

The purpose of the Audit Committee is to ensure 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 other associated matters.

The quorum of the Committee is two independent members present or one third of the total members of the Committee, whichever is higher. As on 31st March, 2015; the Audit Committee consists of 3(Three) Non-Executive/Independent Directors and 1 (One) Non-Executive Director.

During the financial year 2014-15, the members of Audit Committee met 6 (Six) times on 5th June, 2014, 13th August, 2014, 14th November, 2014, 30th November, 2014, 1st December, 2014, and 13th February, 2015.

The Composition and attendance of the members of the Audit Committee during the financial year 2014-15 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya (w.e.f. 1 st December, 2014)	Chairman	1	1
Mr. Mohit Agrawal (upto 1 st December, 2014)	Chairman	5	5
Mr. Suresh P. Jain	Member	6	6
Mr. Shailesh Desai (w.e.f. 1 st December, 2014)	Member	1	1
Mr. Chetan Bohra (w.e.f. 13 th February, 2015)	Member	0	0
Mr. Sanjay Motta (upto 1 st December, 2014)	Member	5	5
Mr. Praveen Toshniwal (upto 1 st December, 2014)	Member	5	5

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference:

The terms of reference of the Audit Committee broadly are as under:

- 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 quarterly/half yearly / annual financial statements before submission to the Board for approval with particular reference to:
 - ❖ Matters required to be included in the Directors' Responsibility Statement.
 - ❖ 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.
- Recommending the appointment/re-appointment/removal of statutory auditors, fixation of audit fees and also approval of payments for any other services.
- Reviewing with management, Statutory and internal auditor's adequacy of the internal control 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.
- 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.

4. STAKEHOLDER'S RELATIONSHIP COMMITTEE (Formerly known as Investors' Grievance Committee):

The Company has a duly constituted Stakeholders Relationship Committee as per the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the financial year 2014-15, the members of Stakeholders' Relationship Committee met 4 (Four) times on 5th June, 2014, 13th August, 2014, 14th November, 2014 and 13th February, 2015.



The Composition and attendance of the members of the Stakeholders' Relationship Committee during the financial year 2014-15 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya (w.e.f. 1 st December, 2014)	Chairman	1	1
Mr. Mohit Agrawal (upto 1 st December, 2014)	Chairman	3	3
Mr. Suresh P. Jain	Member	4	4
Mr. Shailesh Desai (w.e.f. 1 st December, 2014)	Member	1	1
Mr. Chetan Bohra (w.e.f. 13 th February, 2015)	Member	0	0
Mr. Sanjay Motta (upto 1 st December, 2014)	Member	3	3

The Company Secretary of the Company is designated as the "Compliance Officer" for overseeing the redressal of the investors' grievances.

Terms of Reference:

The Committee is specifically responsible for the redressal of shareholders'/investors' grievances pertaining to non-receipt of Annual Report, dividend payments, Share transfers and other miscellaneous complaints and recommends measures for overall improvement in the quality of investor services.

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

Status of Investors' Complaints:

Opening at the beginning of the year	Received during the year	Resolved during the year	Pending at the end of the year
NIL	NIL	NIL	NIL

Name and designation of the Compliance Officer

Ms. Sophia Jain is the Company Secretary and Compliance Officer of the Company.

5. NOMINATION AND REMUNERATION COMMITTEE (Formerly known as Remuneration Committee):

The Company has duly constituted a Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. During the financial year 2014-15, the members of Nomination and Remuneration Committee met 6 (Six) times on 5th June, 2014, 23rd June, 2014, 14th November, 2014, 1st December, 2014, 27th January, 2015 and 13th February, 2015.

The Composition and attendance of the members of the Nomination and Remuneration Committee during the financial year 2014-15 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya (w.e.f. 1 st December, 2014)	Chairman	2	2
Mr. Mohit Agrawal (upto 1 st December, 2014)	Chairman	4	4
Mr. Suresh P. Jain	Member	6	6
Mr. Shailesh Desai (w.e.f. 1 st December, 2014)	Member	2	2
Mr. Chetan Bohra (w.e.f. 13 th February, 2015)	Member	0	0
Mr. Sanjay Motta (upto 1 st December, 2014)	Member	4	4
Mr. Praveen Toshniwal (upto 1 st December, 2014)	Member	4	4



Terms of reference:

The Committee is empowered to-

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel (KMP).
- Formulate a policy relating to remuneration for the Directors, members of the Committee and also the Senior Management Employees.

Nomination & Remuneration policy:

The Company follows a comprehensive policy for selection, re-commendation, appointment of Directors and other senior managerial employees and also on the remuneration, and such other related provision as applicable.

1. Selection:

- Any person to be appointed as a Director on the Board of Director of the Company or as KMP or Senior Management Personnel, including Independent Directors, shall possess appropriate skills, experience and knowledge in one or more fields of sciences, actuarial sciences, banking, finance, economics, law, management, sales, marketing, administration, research, corporate governance or technical operations.
- Any person to be appointed as a Director on the Board of the Company shall possess the relevant experience and shall be able to provide policy directions to the Company, including directions on good corporate governance.
- While appointing any person as Chief Executive Officer, Managing Director or a Whole-time director of the Company, his / her educational qualification, work experience, industry experience, etc. shall be considered.

2. Remuneration:

- **Remuneration of Executive Directors:**

- i At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Executive Directors within the overall limits prescribed under the Companies Act.
- ii The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii The remuneration of the Executive Directors is broadly divided into fixed component.
- iv The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits.

In determining the remuneration (including the fixed increment and performance bonus) the Nomination & Remuneration Committee shall consider the following:

- i The relationship of remuneration and performance benchmarks
- ii Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- iii Responsibility of the Executive Directors and the industry benchmarks and the current trends;
- iv The Company's performance vis-à-vis the annual budget achievement and individual performance.

- **Remuneration of Non-Executive Directors:**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company

- **Remuneration of Senior Management Employees:**

In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Directors) the Nomination & Remuneration Committee shall consider the following:

- i The relationship of remuneration and performance benchmark
- ii The components of remuneration includes salaries, perquisites and retirement benefits;
- iii The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

The Executive Directors will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned hereinabove, recommends the annual increment to the Nomination & Remuneration Committee for its review and approval.



Details of remuneration/sitting fees paid to the Directors and number of shares held by them in the Company during the financial year 2014-15 are as follows:

Name	Category	Salary	Perquisites or Allowances	Stock Options	Sitting Fees*	Total	No. of shares held
Mr. S. P. Jain	Chairman	-	-	-	-	-	3292137
Mr. Vaibhav J. Shah (w.e.f. 1 st December, 2014)	Managing Director	21,91,200	-	-	-	21,91,200	2712000
Mrs. Manju S. Bafna (w.e.f. 13 th February, 2015)	Executive Director	590742	-	-	-	590742	1507500
Mr. Mayukh Pandya (w.e.f. 1 st December, 2014)	Independent Director	-	-	-	-	-	-
Mr. Shailesh Desai (w.e.f. 1 st December, 2014)	Independent Director	-	-	-	-	-	-
Mr. Chetan Bohra (w.e.f. 13 th February, 2015)	Independent Director	-	-	-	-	-	1500
Mr. Manish Ajmera (upto 23 rd June, 2015)	Executive Director	493720	-	-	-	493720	-
Mr. Praveen Toshniwal (upto 1 st December, 2014)	Independent Director	-	-	-	-	-	1100
Mr. Sanjay Motta (upto 1 st December, 2014)	Independent Director	-	-	-	-	-	-
Mr. Mohit Agrawal (upto 1 st December, 2014)	Independent Director	-	-	-	-	-	-
Mr. Randhir Singh Sisodiya (upto 1 st December, 2014)	Executive Director	425000	-	-	-	425000	-

* None of the Directors is paid any sitting fees for attending the Board or Committee meeting.

6. SUBSIDIARY COMPANIES

As on 31st March, 2015, 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. Monarch Insurance Broking Private Limited

The Company does not have any material non- listed Indian Subsidiary company.

The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of directors of the Company.

The Company has a policy for determining 'material subsidiaries which is disclosed on the website at www.networthdirect.com

7. GENERAL BODY MEETINGS:

A) ANNUAL GENERAL MEETINGS:

Details of date, time and location of the last three Annual General Meetings (AGMs) are given below:

Financial Year	AGM	Date of AGM	Time	Location of the meeting
2013-14	21 st	31 st December, 2014	12.30 p.m.	Kilachand Conference Room, 2 nd Floor, Indian Merchants Chambers, LNM IMC Building, Churchgate, Mumbai- 400020
2012-13	20 th	20 th December, 2013	11.30 a.m.	Kilachand Conference Room, 2 nd Floor, Indian Merchants Chambers, LNM IMC Building, Churchgate, Mumbai- 400020
2011-12	19 th	31 st October, 2012	11.30 a.m.	Kilachand Conference Room, 2 nd Floor, Indian Merchants Chambers, LNM IMC Building, Churchgate, Mumbai- 400020

Details of Special Resolution passed in the last three Annual General Meetings:

Date of AGM	Purpose of Resolution
31 st December, 2014	<ol style="list-style-type: none"> 1. Adoption of new set of Articles of Association 2. Increase in borrowing powers of Company upto ₹ 500 Crores under Section 180(1)(c) of the Companies Act, 2013 3. Authorized the Board of Directors of the Company under Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or create charge on the immovable/movable properties of the Company. 4. Increase in powers of Company under Section 186 to give loan to any person or body corporate upto ₹ 500 Crores.
20 th December, 2013	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Manish Ajmera as an Executive Director of the Company w.e.f. 12th December, 2012 2. Re-appointment of Mr. Manish Ajmera as an Executive Director of the Company w.e.f. 12th December, 2013
31 st October, 2012	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Manish Ajmera as an Executive Director of the Company w.e.f. 12th 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.

8. DISCLOSURES:

a. Related Party Transactions:

There were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors during the financial year ended 31st March, 2015 that may have potential conflict with the interest of the Company at large. The transactions with the related parties, as per the requirements of the Accounting Standard (AS) 18, are disclosed in the Notes on Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transaction is available on Company's website at www.networthdirect.com.

b. Compliance related to Capital Market:

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. No strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities. The Company has paid the listing fees for the year 2015-16 to BSE Limited.

c. 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.

d. Disclosure of Risk Management:

The Company has laid down procedure to inform Board members about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board.

e. CEO/CFO certification:

In terms of the requirements of Clause 49(IX) of the Listing Agreement, Mr. Vaibhav Shah, Managing Director and Mr. Ashok Bafna, Chief Financial Officer has submitted necessary certificate dated 29th May, 2015 confirming the particulars specified under the said clause.

f. Details of Compliance with Mandatory and Non-Mandatory Requirements under Clause 49 of Listing Agreement:

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted the following non-mandatory requirements of the Clause 49 of the Listing Agreement:

- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

9. MEANS OF COMMUNICATIONS:

- a. The quarterly, half-yearly and annual results of the Company are forwarded to BSE Limited where the shares of the Company are listed and published in "Free Press Journal"(English) and Navshakti (Marathi).
- b. The Audited financial results and shareholding pattern are displayed on the Company's website at www.networthdirect.com. The Company also regularly provides information to the Stock Exchange as per the requirement of Listing Agreement and updates the same on the Company's website periodically.

- c. The Management Discussion and Analysis for the year ended 31st March, 2015 is part of Annual Report and annexed separately.
- d. The Company has not made any presentations/press release to Institutional Investors or to the Analysts during the year under review.

10. GENERAL SHAREHOLDER INFORMATION:

a. Annual General Meeting

Date : 30th September, 2015
 Day : Wednesday
 Time : 12.30 p.m.
 Venue : Jayleela Banquet Opp. Railway Nagar, Sonawala Road, Goregaon East, Mumbai, Maharashtra 400063

b. Financial Year

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

c. Financial Calendar (Provisional for 2015-16)

Subject Matter	Tentative Dates of the Board Meeting
First Quarter Results	On 14 th August, 2015.
Second Quarter Results	By 14 th November, 2015.
Third Quarter Results	By 13 th February, 2016.
Fourth Quarter/ Yearly Results	By 30 th May, 2016.(Audited Results)

d. Date of Book Closure:

Saturday, the 26th day of September, 2015 to Wednesday, the 30th day of September, 2015 (both days inclusive)

e. Cut-off date for remote e-voting:

The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on Cut-off Date i.e Wednesday, 23rd September, 2015.

f. Listing on Stock Exchange:

The Equity Shares of the Company are listed on the BSE Limited.

g. Stock Code & ISIN:

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

h. Market Price Data:

High & Low price of the Equity Shares of the Company at BSE Ltd. during each month for the year 2014-2015 as compared to BSE SENSEX points are as follows:

Month	Price on BSE(RS.)*		BSE Sensex (Points)*	
	High	Low	High	Low
April 2014	18.70	14.00	22,939.31	22,197.51
May 2014	20.20	15.15	25,375.63	22,277.04
June 2014	23.00	18.00	25,725.12	24,270.20
July 2014	30.10	18.75	26,300.17	24,892.00
August 2014	29.75	23.00	26,674.38	25,232.82
September 2014	30.35	22.05	27,354.99	26,220.49
October 2014	25.70	19.20	27,894.32	25,910.77
November 2014	26.50	21.60	28,822.37	27,739.56
December 2014	36.50	25.50	28,809.64	26,469.42
January 2015	42.80	26.90	29,844.16	26,776.12
February 2015	46.80	35.30	29,560.32	28,044.49
March 2015	40.00	25.20	30,024.74	27,248.45

*Source: www.bseindia.com

i. Share Transfer System:

All shares sent or transferred in physical form are registered by the Registrar & Share Transfer Agents within 15 days of the lodgment, if documents are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation are given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

j. Shareholding Pattern as on 31st March, 2015:

Categories	No of Shareholders	No. of Shares	% of Shareholding
Promoters	14	20239287	66.77
Financial Institution/Banks	2	299145	0.99
FII's	0	0	0
Non- Resident Indians	11	118061	0.39
Bodies Corporate	123	4608147	15.20
Indian Public	4489	5046960	16.65
Total	4639	30311600	100.00

k. Distribution Schedule as on 31st March, 2015:

Slab of Shares Holding		Number of Share Holders	% to total Number of holders	Total Number of Shares	% to total Number of Shares
From	To				
1	500	3731	80.43	584517	1.93
501	1000	341	7.35	286276	0.94
1001	2000	201	4.33	324499	1.07
2001	3000	87	1.88	222720	0.73
3001	4000	43	0.93	154835	0.51
4001	5000	42	0.91	198228	0.65
5001	10000	82	1.77	620472	2.05
10001 and above		112	2.41	27920053	92.11
TOTAL		4639	100.00	30311600	100.00

l. Dematerialization of Equity Shares and Liquidity

As on 31st March, 2015, 99.12% of the equity shares of the Company are held in dematerialized form with NSDL and CDSL.

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

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

n. Address for Investor Correspondence

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to:

Ms. Sophia Jain
 Company Secretary & Compliance Officer
 Network Stock Broking Limited
 Office no.901/902, 9th Floor,
 Atlanta Centre, Opp. Udhog Bhawan,
 Sonawala Road, Goregaon (East),
 Mumbai-400 063
 Telephone: 022-30641600 Fax No: 022-26850257
 Email: reachus@networthdirect.com
 Website: www.networthdirect.com

Registrar & Share Transfer Agents
 Skyline Financial Services Private Limited
 Unit - Network Stock Broking Limited
 D- 153A, 1st Floor,
 Okhla Industrial Area, Phase- I,
 New Delhi- 110020
 Tel: 011-26812682/83
 Email: admin@skylinerta.com

DECLARATION ON CODE OF CONDUCT

I, Vaibhav Shah, Managing Director of the Company, declare that the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March, 2015.

Place: Mumbai
Date: 14th August, 2015

For Networth Stock Broking Limited

Vaibhav Shah
Managing Director

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members
Networth Stock Broking Limited
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Networth Stock Broking Limited, for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

For Manish Ghia & Associates
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

Place : Mumbai
Date: 14th August 2015

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To
The Members of,
NETWORTH STOCK BROKING LIMITED

Report on the Financial Statements

1. We have audited the accompanying Standalone Financial Statements of **NETWORTH STOCK BROKING LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2015 and the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.
4. We conducted our audit in accordance with the provision of the Act, the Accounting and Auditing Standards and matter which are required to be included in the audit report under the provision of the Act and Rule made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements

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

Basis for Qualified Opinion

7. The Company's has provided in its Statement of Profit and Loss the Provision for Taxation at ₹ 1,16,80,000. However, the actual tax liability of the Company for the year as computed in accordance with the Accounting Standard - 22 (AS-22) works out to Nil. This constitutes a departure from the requirements of the said AS-22. As a result of the above, the tax expense for the year has been provided in excess by ₹ 1,16,80,000 and the Profit after Tax has been understated by ₹ 1,16,80,000 in the Statement of Profit and Loss. Had the company provided the tax expense as per the said AS-22, the Reserves of the Company would have been higher by ₹ 1,16,80,000 and Short Term Provisions would have been lower by ₹ 1,16,80,000.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015 and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.



10. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rule, 2014 in our opinion and to best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Note No 35;
 - ii. The Company has not made provision, since the company has not entered into any long term Derivative Contract as required under the applicable law or accounting standards, for material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Yogesh Thakker & Co
Chartered Accountants
Firm Reg. No. 111763W

Yogesh Thakker
Proprietor
M. No. 039631

Date: 29th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph (1) under "Report on other legal and regulatory requirement" of our report of even date)

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. We are informed that the fixed assets have been physically verified by the Management at phase manner over a period of three year. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of assets.
- (ii) In respect of Inventories:
a. Inventory represents securities held as stock-in-trade in course of Market 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. As per the information given to us the procedures of physically verification and reconciliation of inventory following by the management are, in our opinion, reasonable and adequate in relation to size of the company and the nature of its business.
c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013:
a. The receipts of principal amounts and interest have been regular / as per stipulations.
b. The principal amounts of such loans are on demand and there is no repayment schedule. Interest, if any is payable or demand.
- (iv) 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 sale of services. During the course of our audit neither we have come across nor we have been informed of any continuing failure to correct major weakness in the internal control.
- (v) According to the information and explanation given to us, the company has not accepted the any deposits from the public. Therefore provision of clause (v) of paragraph companies (auditor's Report) order 2015 is not applicable to the entities to the Company
- (vi) According to the information and explanation given to us, maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of the product dealt with by the Company as prescribed by central government is not applicable to the Company.
- (vii) In respect of statutory dues:-
a) According to record of company, the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.
b) According to the information and explanation given to us and the record of the Company examined by us, the particulars of Income tax and Service tax as on 31st March, 2015 which have not been deposited on account of a dispute pending are as under:-

Sr. No	Name of Statue	Nature of Due	Amount (₹. in Lakhs)	Period to which the amount related	Forum where dispute is Pending
1	Income Tax	Income Tax	3.43	A.Y. 2011-12	First appellate Authority
		Income Tax	82.67	A.Y.2009-10	First appellate Authority
		Income Tax	8.54	A.Y. 2002-03	Assessing Officer

According to the records of NSBL (Merged Entities) and During P.Y. Monarch Project and Finmarkets Limited (MPFL).

(Amount in Lakhs)

Sr. No	Name of Statute	Nature of Due	Amount (₹.in Lakhs)	Period to which the amount related	Forum where dispute is Pending
2	Service Tax	Service Tax	15.14	1.04.2002 to 31.03.2007	Pending With Service Tax Tribunal with Joint Commissioner of Service Tax
		Service Tax	29.03	F.Y. 2007-08	Pending With Commissioner (Appeals) of Service Tax
		Service Tax	10.78	F.Y. 2007-08	Pending With Commissioner (Appeals) of Service Tax
		Service Tax	3.01	F.Y. 2006-07	Superintendent, Service tax, Range XI, Ahmedabad
3	Income Tax	Income Tax	30.48	A.Y.2010-11	Pending with Commissioner of Income Tax (Appeals) Original Demand - ₹ 75,69,110/- Rectification applied - ₹ 45,20,903
		Income Tax	4.91	A.Y.2006-07	Assessing Officer
		Income Tax	47.29	A.Y.2007-08	Assessing Officer
		Income Tax	0.19	A.Y.2009-10	Assessing Officer
		Income Tax	52.71	A.Y.2009-10	Assessing Officer
		Income Tax	4.94	A.Y.2011-12	Assessing Officer
		Income Tax	7.19	A.Y.2013-14	Assessing Officer

According to the records of NSBL (Merged Entities) and During P.Y. Monarch Research & Brokerage Private Limited (MRBPL).

(Amount in Lakhs)

Sr. No	Name of Statute	Nature of Due	Amount (₹.in Lakhs)	Period to which the amount related	Forum where dispute is Pending
4	Income Tax	Income Tax	0.09	A.Y. 2006-07	Assessing Officer
		Income Tax	21.13	A.Y.2007-08	Assessing Officer
		Income Tax	5.80	A.Y. 2007-08	Assessing Officer
		Income Tax	0.45	A.Y. 2010-11	Assessing Officer

According to the records of NSBL (Merged Entities), 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. (MRBPL during P.Y).

- (c) According to the information and explanation given to us there is no any amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956
- (viii) The Company has accumulated losses at the end of the financial year which is 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.
- (ix) According to record of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any Financial Institutions or Banks or Debenture holders.
- (x) The company has given corporate guarantee of ₹ 5 crore 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.
- (xi) As per information and records provided before us, the company has not accepted any term loan. Therefore provision of clause (xi) of paragraph 3 companies (auditor's Report) order 2015 is not applicable to the company.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit

For Yogesh Thakker & Co
Chartered Accountants
Firm Reg. No. 111763W

Yogesh Thakker
Proprietor
M. No. 039631

Date: 29th May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

(Figures in ₹)

Particulars	Note No.	As at 31 st March, 2015	As at 31 st March, 2014
A. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	303,116,000	112,316,000
(b) Share Capital to be issued pursuant to the Scheme of Amalgamation	4		190,800,000
(c) Reserves and Surplus	5	253,077,070	242,744,858
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long Term Borrowings	6	935,934	480,867
(b) Other Long Term Liabilities	7	25,426,467	21,897,277
(c) Long Term Provisions	8	10,143,725	1,568,815
(4) Current Liabilities			
(a) Short Term Borrowings	9	155,758,067	170,837,359
(b) Trade Payables	10	608,750,610	518,156,352
(c) Other Current Liabilities	11	25,578,258	55,466,010
(d) Short-Term Provisions	12	31,880,335	32,352,178
Total		1,414,666,466	1,346,619,716
B. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets:	13		
(i) Tangible Assets		34,485,294	77,558,444
(ii) Intangible Assets		13,840,354	11,812,735
(b) Non-Current Investments	14	121,922,145	107,422,145
(c) Deferred Tax Assets (net)	15	50,144,839	47,521,028
(d) Long Term Loans and Advances	16	311,879,753	167,603,038
(2) Current assets			
(a) Inventories	17	71,567,877	47,623,032
(b) Trade Receivables	18	510,503,803	431,833,236
(c) Cash and Bank Balances	19	203,373,584	143,034,330
(d) Short-Term Loans and Advances	20	89,331,999	197,288,481
(e) Other Current Assets	21	7,616,818	114,923,247
Total		1,414,666,466	1,346,619,716

Significant Accounting policies

2

The accompanying Notes from 30 to 43 are an integral part of Financial Statements.

As per our report of even date attached.

For Yogesh Thakker & Co

Chartered Accountants
Firm Reg. No. 111763W

For and on behalf of the Board

Yogesh Thakker
Proprietor
M.No. 039631S.P. Jain
CharimanVaibhav Shah
Managing DirectorAshok Bafna
Chief Financial OfficerSophia Jain
Company Secretary &
Compliance OfficerDate : 29th May, 2015Place : Mumbai
Date : 29th May, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Figures in ₹)

Particulars	Note No.	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
1. Revenue from Operations	22	472,573,189	330,751,821
2. Other Income	23	61,459,185	35,621,083
3. Total Revenues (1+2)		534,032,374	366,372,904
4. Expenses:			
(a) Employee benefit expense	24	141,253,465	109,380,071
(b) Operating Expenses	25	175,924,569	108,868,249
(c) Administrative, Selling and Distribution Expenses	26	82,876,979	61,100,065
(d) Financial costs	27	55,530,426	56,542,722
(e) Depreciation and amortization expense	13	33,114,678	30,465,857
(f) Other expenses	28	1,195,595	2,499,525
Total Expenses		489,895,712	368,856,489
5. Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (3-4)		44,136,662	(2,483,584)
6. Exceptional and Extraordinary Items/ Prior Period Adjustments		244,214	(18,001,818)
7. Profit /(Loss) before tax (5+6)		44,380,876	(20,485,402)
8. Tax expense :			
(a) Current tax		11,680,000	49,325
(b) Deferred tax		(2,623,811)	(15,144,648)
(c) Short/Excess Provision of tax		6,793,485	1,259,056
Total Tax Expense		15,849,674	(13,836,267)
9. Profit /(Loss) for the year (7-8)		28,531,202	(6,649,135)
10. Earning per equity share: (Face Value ₹ 10)	29		
(1) Basic		0.94	(0.59)
(2) Diluted		0.94	(0.59)

Significant Accounting policies

2

The accompanying Notes from 30 to 43 are an integral part of Financial Statements.

As per our report of even date attached.

For Yogesh Thakker & Co

Chartered Accountants
Firm Reg. No. 111763W

For and on behalf of the Board

Yogesh Thakker
Proprietor
M.No. 039631S.P. Jain
CharimanVaibhav Shah
Managing DirectorAshok Bafna
Chief Financial OfficerSophia Jain
Company Secretary &
Compliance OfficerDate : 29th May, 2015Place : Mumbai
Date : 29th May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Figures in ₹)

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
A. <u>Cash Flow from Operating Activities</u>		
Net Profit before tax and extraordinary Items	44,380,876	(20,485,402)
<i>Adjustments for</i>		
Depreciation	33,114,678	30,465,857
Gratuity Provision	(3,138,723)	(812,424)
Preliminary/Share Issue Exp. Written off		-
Provision for Diminution in Value of Investment		-
Finance Expenses	55,530,426	56,542,722
Loss on assets sold/discarded	(130,423)	1,544,513
Provision for Doubtful Debts	-	-
Dividend Received	(157,367)	(65,949)
Interest Received	(23,094,537)	(13,487,730)
<i>Operating profit before working capital changes</i>	106,504,930	53,701,587
<i>Adjustments for</i>		
Decrease (Increase) in Trade and other Receivables	(31,633,187)	(490,724,391)
Increase (Decrease) in Trade Payable and Provisions	54,575,815	387,089,922
Cash Generated from operations	129,447,558	(49,932,882)
Income Tax Paid For The Year	(11,680,000)	-
Prior Period Items	(244,214)	18,001,818
Net Cash From Operating Activities	117,523,344	(31,931,065)
B. <u>Cash Flow From Investing Activities</u>		
Purchase of Fixed Assets	(12,568,111)	(17,524,961)
Sale of Fixed Assets	2,162,542	120,318,427
Purchase of Shares/ Mutual Funds	(14,500,000)	
Sales of Shares/ Mutual Funds		
Interest Received	23,094,537	13,487,730
Dividend Received	1,57,367	65,949
Net Cash from Investing Activities	(1,653,665)	116,347,145
C. <u>Cash flow From Financing Activities</u>		
Finance Expenses	(55,530,426)	(56,542,722)
Loan Funds		7,552,976
Net Cash used in Financing Activities	(55,530,426)	(48,989,746)
<i>Net Increase in Cash & Cash Equivalents</i>	60,339,253	35,426,335
<i>Opening Balance of Cash & Cash Equivalents</i>	143,034,330	107,607,995
<i>Closing Balance of Cash & Cash Equivalents</i>	203,373,582	143,034,330

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 30 to 43 are an integral part of Financial Statements.

As per our report of even date attached.

For Yogesh Thakker & Co

Chartered Accountants
Firm Reg. No. 111763W

For and on behalf of the Board

Yogesh Thakker
Proprietor
M.No. 039631

S.P. Jain
Chariman

Vaibhav Shah
Managing Director

Ashok Bafna
Chief Financial Officer

Sophia Jain
Company Secretary &
Compliance Officer

Dsg : 29th May, 2015

Place : Mumbai
Date : 29th May, 2015



NOTES FORMING PARTS OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015.**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) Metropolitan Stock Exchange of India Limited (formerly known as MCX-Stock Exchange Limited) 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 Financial year 2013-14, 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 2013. 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 II to the New Companies Act, 2013 from the month following the month of purchase/acquisition of assets.

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



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 value).

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. (Previous year cost value).

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.

j) Taxes on Income

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

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

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

k) Borrowing Cost

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

l) Leases

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

m) Earnings Per Share

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

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

n) Provisions, Contingent Liabilities and Contingent Assets

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

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

o) Segment Reporting

During the year under consideration, the Company NSBL (Merged Entities) has four operative segments namely, Capital Market (CM) Segment, Depository Participant (DP) segment and Merchant Banking (MB) segment and Portfolio Management Service (PMS). As the DP, PMS 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.

		(Figures in ₹)	
Particulars		As at 31 st March, 2015	As at 31 st March, 2014
Note 3	Share Capital		
a. The Authorised Issued Subscribed and fully paid up share capital are as follows:			
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
3,05,00,000 Equity Shares of ₹ 10/ each		305,000,000	125,000,000
Previous Year (1,25,00,000)			
60,00,000 - Preference Shares of ₹ 10/ each		60,000,000	-
Previous Year (NIL)			
		415,000,000	175,000,000
Issued Subscribed & Paid up Share Capital			
30311,600 Equity Shares of ₹ 10/- each		303,116,000	112,316,000
(Previous Year 1,12,31,600)		303,116,000	112,316,000

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

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	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	19,080,000	190,800,000	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,311,600	303,116,000	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 31st, 2015 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. 1,90,80,000 Equity shares of ₹ 10/- each were issued and allotted to the shareholders of the transferor companies during the year on the basis of consideration other than cash pursuant to the scheme of Amalgamation between the Monarch Research and Brokerage Private Limited (MRBPL) and Monarch Project and Finmarkets Limited (MPFL) (Transferor Companies) with the Company (Transferee Company) as approved by the Hon'ble High Court of Gujarat vide its order dated 3rd May, 2013 & by the Hon'ble High Court of Bombay vide its order dated 07th August, 2014.

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

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹10/- each fully paid				
Mr. Suresh Jain	3292137	10.86	3292137	29.31
Mr. Suresh Bafna	2512500	8.29		
Mr. Vaibhav Shah	2712000	8.95		
Mr. Bankim Shah	2206000	7.28		
Ms. Bela Shah	2406000	7.94		
M/s Metaphore Reality Investments Pvt Ltd	2412000	7.96		

- 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 (Previous Year note)

		(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.

Particulars	(Figures in ₹)	
	As at 31 st March, 2015	As at 31 st March, 2014
Note 5 Reserves & Surplus		
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	296,652,896	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	296,652,896
c. Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	(102,263,088)	(221,176,583)
Add: Surplus of Transferor Company MPFL		99,150,385
Add: Surplus of Transferor Company MRBPL		28,323,495
Add: General Reserve Arising on " Account of Depreciation "	(18,198,990)	
(+/-) Net Profit/(Loss) For the current year	28,531,202	(8,560,385)
Closing Balance	(91,930,876)	(102,263,088)
d. Amalgamation Reserve Account		
Transferred from Capital Reserve of Erstwhile MPFL	30,000,000	30,000,000
Transferred from Securities Premium Account	3,191,490	3,191,490
	33,191,490	33,191,490
Total	253,077,070	242,744,858

Refer Note 32 for Accounting Treatment in the books pursuant to the Approved Scheme of Amalgamation.

Note 6 Long-Term Borrowings		
Secured, Considered Good unless stated otherwise		
(a) Loan from Kotak Mahindra Prime Limited (Secured against hypothecation of Vehicle)	935,934	480,867
Total	935,934	480,867

Note (a) Loan from Kotak Mahindra Prime Ltd of ₹ 9,35,934/- (P.Y ₹ 4,80,867/-) 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	25,426,467	21,897,277
Total	25,426,467	21,897,277

Note 8 Long-Term Provisions		
Provision for Gratuity	10,143,725	1,568,815
Total	10,143,725	1,568,815

Note 9 Short Term Borrowings		
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)	152,758,067	76,076,441
(b) Loan from Kotak Mahindra Prime Limited* (secured against hypothecation of Vehicle)	-	215,949
(c) Unsecured Loans from shareholders (Other than promoter group)	3,000,000	3,000,000
(d) Loan from NBFC*	-	91,544,969
Total	155,758,067	170,837,359

Particulars	(Figures in ₹)	
	As at 31 st March, 2015	As at 31 st March, 2014
Note 10 Trade Payables		
Sundry Creditors - Clients	384,326,322	368,764,265
Sundry Creditors - Others	12,528,309	15,612,096
Banks & Financial Institutions	211,895,979	133,779,991
Total	608,750,610	518,156,352

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.

Note 11 Other Current Liabilities

(a) Unpaid dividends	-	143,811
(b) Statutory Remittances	5,114,001	6,056,501
(c) Payable for common infra.	-	49,199,695
(d) Other Current Liabilities	20,464,257	66,003
Total	25,578,258	55,466,010

Note 12 Short Term Provisions

(a) Provision for employee benefits		
Salary & Reimbursements	10,194,293	3,477,093
(b) Others		
Provision for Income Tax **	17,869,113	18,164,000
Provision for Fringe Benefit Tax	-	-
Provision for Wealth Tax	-	-
Expenses payable outstanding	3,816,929	4,584,864
Provision for Gratuity	-	5,473,113
Others	-	653,108
Total	31,880,335	32,352,178

** The Company s has provided in its Statement of Profit and Loss the Provision for Taxation at ₹ 1,16,80,000. However, the actual tax liability of the Company for the year as computed in accordance "with the Accounting Standard-22 (AS-22) works out to Nil. This constitutes a departure from the requirements of the said AS-22. As a result of the above, the tax expense for the year has been provided in excess by ₹ 1,16,80,000 and the Profit after Tax has been understated by ₹ 1,16,80,000 in the "Statement of Profit and Loss. Had the company provided the tax expense as per the said AS-22. The Reserves of the Company would have been higher by ₹ 1,16,80,000 and Short Term Provisions would have been lower by ₹ 1,16,80,000.

Note - 13 Fixed Assets

(Figures in ₹)

Particulars	Gross Block			Accumulated Depreciation & Amortization			Net Block		
	As at 01/04/2014	Additions	Deletions/ Adjust- ments	As at 31/03/2015	As at 01/04/2014	Additions	Deletions	As at 31/03/2015	As at 31/03/2014
1 Tangible Asset									
a Improvement to Lease Assets	19,611,836	-	5,966,597	13,645,239	11,430,805	1,658,751	4,858,366	8,231,190	5,414,049
b Office Premises -									
c Air Conditioners	15,856,395	38,500	571,128	15,323,767	13,283,773	1,615,404	44,400	14,854,777	468,990
d Computer	100,730,334	1,033,344	1,292,969	100,470,709	80,496,417	10,318,337	1,180,921	89,633,833	20,233,917
e Furniture & Fixtures	33,840,174	1,111,627	818,323	34,133,478	15,168,300	8,542,670	399,541	23,311,429	18,671,874
f Vehicles	14,113,190	1,212,983	-	15,326,173	8,469,288	2,527,736	-	10,997,024	5,643,902
g Office Equipment	10,990,981	767,717	191,251	11,567,447	5,945,584	3,064,751	57,068	8,953,267	2,614,180
Total - 1	195,142,910	4,164,171	8,840,268	190,466,813	134,794,166	27,727,649	6,540,296	155,981,519	60,348,744
2 Intangible Assets									
a Computer Software	51,310,953	8,403,940	-	59,714,893	40,487,507	5,387,031	-	45,874,538	13,840,354
Total - 2	51,310,953	8,403,940	-	59,714,893	40,487,507	5,387,031	-	45,874,538	13,840,354
Grand Total (1 + 2)	246,453,863	12,568,111	8,840,268	250,181,706	175,281,673	33,114,680	6,540,296	201,856,057	48,325,648
Previous Year	372,699,416	17,524,961	143,770,514	246,453,863	150,068,910	30,465,860	23,452,087	157,082,683	89,371,180

** Note - Fixed Asset Block of Previous Year is not comparable due to the effect of General Reserve arising on account of Depreciation.

Note 14 Non-Current Investments

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	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.	-	-	-	-
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
- Monarch Insurance Broking Private Limited	499,900	4,999,000	499,900	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.	1,500,000	15,000,000	50,000	500,000
Quoted				
(a) Investments in Equity Shares - Fully Paid up				
Sadbhav Engeneering Ltd.	1,310	24,235	1,310	24,235
- Indiabulls Limited	229,000	7,041,750	229,000	7,041,750
- NTPC Limited	2,000	414,500	2,000	414,500
- Power Grid Limited	13,700	1,467,955	13,700	1,467,955
Total		131,922,145		117,422,145
Less : Provision for diminution in the value of Investments		10,000,000		10,000,000
Total	-	121,922,145	-	107,422,145

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

		(Figures in ₹)	
Particulars	As at 31 st March, 2015	As at 31 st March, 2014	
Note 15	Deferred Tax Assets (Net)		
	Deferred Tax Liability		
	Difference of Net Block of Assets	-	498,807
	Deferred Tax Assets		
	Difference of Net Block of Assets	10,498,073	-
	Merger Expenses	1,401,106	
	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	3,134,411	2,175,956
	Unabsorbed Depreciation	12,279,394	22,014,410
	Deferred Tax Assets (Net)	50,144,839	47,521,028

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	140,948,971	31,179,450
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	62,542,451	40,450,018
Advance Income Tax & Service Tax of erstwhile MRBPL		12,402,066
Advance Fringe Benefit Tax	2,058,456	2,058,456
Advance Wealth Tax	-	-

c. Other Deposits

Deposits for Arbitration Order of erstwhile MPFL	-	1,030,831
Deposits for Arbitration Order of erstwhile NSBL	12,474,074	-
Deposits for PMS of the erstwhile MRBPL	1,100,000	1,100,000
Deposits for Office Premises - NSBL	90,103,760	43,922,788
Deposits for Office Premises -MPFL	-	1,808,493
Deposits for Telephone, VSAT, Electricity etc.- NBSL	2,652,041	112,854
Deposits for Telephone, VSAT, Electricity etc.- MPFL	-	450,000
Other Deposits (F.D. With Bank) - MRBPL	-	7,500,000

Total	311,879,753	167,603,038
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Note 17 **Inventories**

Stock in Trade* - NSBL	71,507,295	42,507,282
Stock in Trade - MRBPL	-	2,038,360
Stock in Trade - MPFL	-	2,998,900
Franking Balance on Hand	50,420	72,500
Stock of Stamp	10,162	5,990
Total	71,567,877	47,623,032

* 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.

(Figures in ₹)

	Particulars	As at 31 st March, 2015	As at 31 st March, 2014
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	105,613,044	47,993,719
	- considered doubtful**	67,287,557	74,573,314
	Sub-total	172,900,601	122,567,033
	Others		
	- considered good #	404,890,759	376,553,760
	Provision for doubtful receivables**	(67,287,557)	(67,287,557)
	Total	510,503,803	431,833,236
	# 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	1,380,111	4,635,095
	b. Balances with Banks:		
	In Earmarked Balances	-	143,061
	In Current Account	107,594,925	55,233,648
	Balances held as margin money deposits against guarantees*	43,500,000	50,000,000
	Fixed Deposits held as Security Deposit - NSBL	50,898,548	21,263,064
	Fixed Deposits held as Security Deposit	-	11,759,462
		<u>201,993,473</u>	<u>138,399,235</u>
	Total	203,373,584	143,034,330
Note 20	Short-Term Loans and Advances		
	Advances to Staff	1,324,377	2,424,307
	Advances to Suppliers	2,039,041	1,247,408
	Prepaid Expenses	5,306,164	6,013,488
	Advances to Subsidiary	1,660,418	696,649
	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	79,001,999	138,446,457
	Total	89,331,999	197,288,481
Note 21	Other Current Assets		
	Of the erstwhile MPFL		
	MAT Receivable	-	778,538
	Income Tax refundable	-	20,544,709
	Receivables against sale of property	7,616,818	93,600,000
	Total	7,616,818	114,923,247

		(Figures in ₹)	
	Particulars	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
Note 22	Revenue from Operations		
	Brokerage & Related income	471,083,740	326,197,093
	IPO Brokerage Commission	339,449	109,728
	Merchant Banking income	1,150,000	4,445,000
	Total	472,573,189	330,751,821
Note 23	Other Income		
	Dividend Income	157,367	65,949
	Interest Received On Fixed Deposits	23,094,537	13,487,730
	DP Colateral Charges	178,261	1,713
	Odin & Diet User Charges	636,397	271,000
	Penalty Charges Recovered	757,582	430,182
	BSE Derivative Incentive	-	566,940
	Assets Usage Charges	-	3,195,950
	Profit on Trading of Shares	24,597,199	17,827,110
	Bad Debts Recovered	1,512	558,686
	Sundry Balance W/off (Net)	126,634	(784,177)
	Other Income	11,902,538	-
	Discount	7,158	-
	Total	61,459,185	35,621,083
Note 24	Employee Benefit Expense		
	Salaries & Wages	122,557,500	112,488,159
	Contribution to Provident & other funds*	7,939,402	3,442,593
	Performance Incentive	5,923,821	964,828
	Staff Welfare	5,236,374	3,806,288
	Directors' Remuneration	5,832,316	8,253,660
	Recovery of Expenses **	(6,235,948)	(19,575,456)
	Total	141,253,465	109,380,071

* 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 31 st March , 2015	Year Ended 31 st March , 2014
Acturial Assumptions		
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount rate	7.8%	9.1%
Rate of return (expected) on plan assets	7.0%	7.0%
Rate of increase in compensation previous year	4.0%	4.0%
Rate of increase in compensation current year	5.1%	5.1%
Changes in present value of obligations		
Obligation at the beginning of the year	5,576,466	4,690,227
Transfer From MPFL & MRBPL	3,127,589	-
Interest Cost	417,085	361,607
Current Service Cost	1,559,390	863,816
Past Service Cost	-	-
Benefit paid	(550,420)	(340,291)
Actuarial (gain) / Loss on obligations	1,547,780	1,107
Liability at the end of the year	11,677,890	5,576,466
Changes in fair value of plan assets		
Fair value of plan Assets at the beginning of the year	1,699,053	1,240,251
Fair value of plan Assets at the end of the year	1,534,166	1,699,053
Current Service cost	1,559,390	863,816
Interest Cost	419,156	361,607
Past Service Cost	-	-
Expected return on plan assets	(104,324)	(125,682)
Net Actuarial (Gain) or Loss	1,514,501	53,050
Opening net liability	3,877,413	3,449,976
Adjustment to opening balance	3,127,589	(725,354)
Expense as above	3,388,723	1,152,791
Contribution paid	(250,000.00)	-
Closing net Liability	10,143,725	3,877,413

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.



		(Figures in ₹)	
Particulars	Year Ended 31 st March , 2015	Year Ended 31 st March , 2014	
Note 25	Operating Expenses		
Demat Charges	6,288,432	3,487,680	
Sub Brokerage & Commission Expenses	149,944,099	84,928,490	
Stamping Charges	356,146	419,051	
Penalty Account - BSE	-	18,712	
Auto D.O. Charges	-	14,607	
Exchange Expenses	417,997	1,483,691	
Investors Protection Fund	-	4,655	
Connectivity Charges	8,784,639	10,172,350	
Insurance Charges (Exchanges)	405,702	572,159	
Membership Fees & Subscription	1,644,707	1,197,227	
Software Charges	8,082,847	6,569,626	
	Total	175,924,569	108,868,249
Note 26	Administrative Selling and Distribution Expenses		
Legal & Professional Charges	16,921,625	9,956,540	
Telephone/Communication Charges	6,175,821	5,200,492	
Electricity Charges	9,938,589	10,476,713	
Rent Rates & Taxes	30,402,835	28,103,949	
Municipal Taxes	786,486	1,078,205	
Repairs & Maintenance	5,316,655	5,058,132	
Manpower supply charges	505,716	-	
Insurance Charges	-	-	
Postage & Courier Charges	4,626,376	3,234,111	
Conveyance & Travelling	5,418,640	4,327,565	
Printing Stationery & Xerox Charges	3,412,496	2,681,520	
Provident Fund Administrative Charges	300,689	208,510	
Profession Tax	34,080	24,568	
Provision for Doubtful Debts	-	-	
Share Registrar's Charges	36,000	36,000	
Office expenses	2,133,498	2,596,391	
Vehicle Expenses	-	76,426	
Staff Recruitment Expenses	181,680	372,340	
Sauda Difference	-	15,100	
Auditors' Remuneration	575,000	810,000	
Recovery of Expenses **	(6,453,860)	(15,271,764)	
Selling & Distribution Expenses			
Advertisement	1,068,999	208,540	
Business Promotion Expenses	1,495,654	1,906,728	
	Total	82,876,979	61,100,065
** 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.	52,571,242	52,624,212	
Interest On Car Loan	121,510	96,841	
Bank Guarantee Charges	1,502,549	1,872,800	
Bank & Fin. Institution charges	306,942	366,199	
Interest on Late Payment of TDS	10,116	305,726	
Other Interest	1,018,068	1,276,944	
	Total	55,530,426	56,542,722

(Figures in ₹)

Particulars	Year Ended	
	31 st March , 2015	31 st March , 2014
Note 28 Other Expenses		
Bad debts/Sundry Balance written off	802,741	667,215
Loss on Assets sold / discarded	(130,423)	1,544,513
Other Expenses	235	67,612
Charity & Donations	523,042	220,185
Total	1,195,595	2,499,525

Note 29 Earning Per Share

Basic EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	28,531,202	(6,649,135)
Weighted Average Number of Shares Subscribed (Basic)	B	30,311,600	11,231,600
Basic EPS	A/B	0.94	(0.59)
Diluted EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	28,531,202	(6,649,135)
Weighted Average Number of Shares Subscribed (Basic)		30,311,600	11,231,600
Add : Potential Equity Shares on account of conversion of Employee Stock Options	-	-	
Weighted Average Number of Shares Outstanding	B	30,311,600	11,231,600
Diluted EPS	A/B	0.94	(0.59)

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	Nil	10,148
• Directors Remuneration		
Director Remuneration	5,832,316	1,890,660
Directors Remuneration of erstwhile MPFL & MRBPL		6,363,000
Director Sitting fees	-	-

Computation of net profit u/s 198 of the Companies Act, 2013 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	425,000	670,000
For Tax Audit	125,000	140,000
Total	550,000	810,000

Note 31 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 of previous year ending.

Note 32 Disclosures in accordance with Accounting Standard - 14 (Previous Year)**(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 33 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	80,800,000
	190,800,000

- 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 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 ₹ 63.70 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 ₹ 318 lacs) against the company for which the company has taken suitable legal recourse. Hence the same has not been recognized as a debt and no provision has been made thereof.
- The company has given guarantee of ₹ 5 crores (previous year 5 crores) for loan taken by its Subsidiary Company Ravisha Financial Services Private Limited from financial institutions.

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

- Bank Gurantee : NIL
- 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.

NSBL (Merged Entities)

(Figures in ₹)

Particulars	As at 31 st March, 2015
Service Tax matters pending with various authorities	5,797,691
Income Tax matters under appeal	3,048,207
Inter Corporate Guarantee	31,165,643
Total	40,011,541

Note 36 Related Party Disclosure of NSBL

(a) List of Related Parties and Relationship

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Network Commodities & Investments Ltd.	Subsidiary Company
Monarch Insurance Broking Private Limited	Subsidiary Company
Network Wealth Solutions Ltd.	100% Subsidiary Company
Ravisha Financial Services Private Ltd.	100% Subsidiary Company
Network Insurance Broking Private Ltd.	100% Subsidiary Company
Network Financial Services Ltd.	Associate Concern
Key Management Personnel	
Manish Ajmera	Chief Executive Officer/Director (Resigned on 23 rd June, 2014)
Randhir Sisodiya	"Executive Director (Appointment on 23 rd June 2014, "upto 1 st December, 2014)"
Vaibhav Shah	Managing Director (Appointment From 1 st December, 2014)
Others	
Mr. S. P. Jain	Chairman & Dominant Promoter Group
Mrs. Kanta Jain	Dominant Promoter Group
Mr. Suresh Bafna	Dominant Promoter Group
Mrs. Manju Bafna	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"	
Premjayanti Properties- Partnership Firm (Mr. Vaibhav Shah & Mr. Himanshu Shah- being partners Network Softech Limited (Associate Company)	Enterprises over which Director/ Key Managerial Personnel/DPG are able to exercise significant influence

(b) Transaction with the Related Parties

(Figures in ₹)

Particulars		Subsidiaries	Associate Company	Key Management Personnel	Others	Total
Revenue Received	CY	18,601,797	-	-	-	18,601,797
	PY	35,829,840	-	-	800,000	36,629,840
Rendering of Services	CY	6,000,000		7,210,742	11,400,000	24,610,742
	PY	6,000,000		1,890,660	6,000,000	13,890,660
Sale of Assets	CY			-	-	-
	PY			-	-	-
Loan Given	CY			-	-	-
	PY	403,264,539		-	-	403,264,539
Outstanding Balance included in current liabilities	CY	-	31,125	-	-	31,125
	PY	-	8,834	-	-	8,834
Outstanding Balance included in current assets	CY	2,531,363		-	1,354,679	3,886,042
	PY	817,146		-	-	817,146

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

Note 37 Disclosure as per Clause 32 of the listing Agreement with the Stock Exchanges

(Figures in ₹)

Particulars	Relationship		Amount outstanding as at March 31 st , 2015	Maximum balance outstanding during the year
Networth Commodities & investment Ltd.	Subsidiary	CY	-	16,155,888
		PY	-	8,049,811
Networth Wealth Solutions Ltd	Subsidiary	CY	-	9,900,000
		PY	-	380,000
Ravisha Financial Services Pvt. Ltd	Subsidiary	CY	951,268	36,500,072
		PY	-	70,621,751
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 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 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: 41 There are no Capital commitments which is outstanding as on Balance Sheet date (previous year Nil).

Note: 42 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: 43 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached.

For and on behalf of the Board

For Yogesh Thakker & Co.

Chartered Accountants
Firm Reg. No. 111763W

S. P. Jain
Chairman

Vaibhav Shah
Managing Director

Yogesh Thakker

M.No. 039631

Ashok Bafna
C.F.O.

Sophia Jain
Company Secretary

Date : 29th May 2015

Place : Mumbai
Date : 29th May 2015



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of,
NETWORTH STOCK BROKING LIMITED

Report on the Financial Statements

1. We have audited the accompanying Consolidated Financial Statements 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, 2015, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
4. We conducted our audit in accordance with the provision of the Act, the Accounting and Auditing Standards and matter which are required to be included in the audit report under the provision of the Act and Rule made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.
6. 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 financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements

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

Basis for Qualified Opinion

7. The tax expenses in the Consolidated Statement of Profit and Loss has been provided at ₹ 1,30,65,000. However, the actual tax liability of the group for the year as computed in accordance with the Accounting Standard - 22 (AS-22) works out to ₹ 13,85,000. This constitutes a departure from the requirements of the said AS-22. The above excess provisioning pertains to the financial statements of the holding company i.e. Networth Stock Broking Limited. As a result of the above, the tax expenses of the group for the year have been provided in excess by ₹ 1,16,80,000 and the Profit after Tax has been understated by ₹ 1,16,80,000 in the Statement of Profit and Loss. Had the company provided the tax expense as per the said AS-22, the Reserves of the group would have been higher by ₹ 1,16,80,000 and Short Term Provisions of the group would have been lower by ₹ 1,16,80,000.

Opinion

8. 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 other auditors, on the Consolidated financial statements of the subsidiaries and associates noted below, except for the effect of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.



Emphasis of Matter

9. The Financial Statement indicates that one of the subsidiary company has accumulated losses and its Net worth has been fully eroded, the Company has incurred net losses during the previous years and accumulated losses and the Company current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in, indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis. We have relied on the work of subsidiary's Auditor, Our opinion is not modified in respect of this matter.

Other Matter

10. We did not audit the financial statements / financial information of five subsidiaries, and two associates, whose financial statements / financial information reflect total assets of ₹.1199.76 Lakhs as at 31st March, 2015, total revenues of ₹ 586.11 Lakhs and net cash out flows amounting to ₹ 166.65 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of ₹ 2.06 Lakhs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order,
12. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors of Holding Company as on 31st March, 2015, taken on record by the Board of Directors of Holding Company and the report of the statutory auditors of its subsidiary companies, associate companies incorporated in India, none of the directors of holding and group companies are disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014 in our opinion and to best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its subsidiaries and associates- Note No 35 to the consolidated financial statements;
 - ii. The Group, its subsidiaries and associates did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies incorporated in India.

For Yogesh Thakker & Co
Chartered Accountants
Firm Reg. No. 111763W

Yogesh Thakker
Proprietor
M. No. 039631

Date: 29th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph (1) under "Report on other legal and regulatory requirement" of our report of even date)

- (i). In respect of the fixed assets of the Holding Company, subsidiary companies and associate companies incorporated in India
- The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - We are informed that the fixed assets have been physically verified by the Management at phase manner over a period of three year. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of assets.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies and associate companies incorporated in India:
- As explained to us and other auditors, the inventory represents securities held as stock-in-trade in course of Market activities and on account of error in execution of transaction. Verification and reconciliation of the same is conducted at reasonable interval by the management.
 - In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedure of physical verification and reconciliation of inventory following by the management is reasonable and adequate in relation to size of the respective entities and the nature of their business.
 - In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company and subsidiary companies incorporated in India have granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013:
- The receipts of principal amounts and interest have been regular / as per stipulations.
 - The principal amounts of such loans are on demand and there is no repayment schedule. Interest, if any is payable on demand.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, subsidiary companies and associate companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the entities have not accepted the any deposits from the public. Therefore provision of clause (v) of paragraph companies (auditor's Report) order 2015 is not applicable to the entities.
- (vi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the product dealt with by the company as prescribed by central government is not applicable to the entities.
- (vii) According to the records of the Company and the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary companies and associate companies incorporated in India:-
- According to record of the respective entities, the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us and the other auditors, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.
 - According to the information and explanation given to us and the record of the Companies examined, the particulars of Income tax and Service tax as on 31st March, 2015 which have not been deposited on account of a dispute pending are as under:-

Sr. No	Name of Statue	Nature of Due	Amount (₹ in Lakhs)	Period to which the amount related	Forum where dispute is Pending
1		Income Tax	3.43	A.Y. 2011-12	First appellate Authority
		Income Tax	82.67	A.Y.2009-10	First appellate Authority
		Income Tax	8.54	A.Y. 2002-03	Assessing Officer
	Income Tax	Income Tax	0.45	A.Y. 2010-11	Assessing Officer
		Income Tax	45.21	A.Y. 2011-12	Assessing Officer (Subsidiary Company)
		Income Tax	1.33	A.Y. 2011-12	Assessing Officer (Subsidiary Company)

According to the records of NSBL (Merged Entities) and During P.Y. Monarch Project and Finmarkets Limited (MPFL).

Sr. No	Name of Statute	Nature of Due	Amount (₹ in Lakhs)	Period to which the amount related	Forum where dispute is Pending
2	Service Tax	Service Tax	15.14	1.04.2002 to 31.03.2007	Pending With Service Tax Tribunal with Joint Commissioner of Service Tax
		Service Tax	29.03	F.Y. 2007-08	Pending With Commissioner (Appeals) of Service Tax
		Service Tax	10.78	F.Y. 2007-08	Pending With Commissioner (Appeals) of Service Tax
		Service Tax	3.01	F.Y. 2006-07	Superintendent, Service tax, Range XI, Ahmedabad
		Income Tax	30.48	A.Y.2010-11	Pending with Commissioner of Income Tax (Appeals) Original Demand - ₹ 75,69,110/- Rectification applied - ₹ 45,20,903
		Income Tax	4.91	A.Y.2006-07	Assessing Officer
3	Income Tax	Income Tax	47.29	A.Y.2007-08	Assessing Officer
		Income Tax	0.19	A.Y.2009-10	Assessing Officer
		Income Tax	52.71	A.Y.2009-10	Assessing Officer
		Income Tax	4.94	A.Y.2011-12	Assessing Officer
		Income Tax	7.19	A.Y.2013-14	Assessing Officer

According to the records of NSBL (Merged Entities) and During P.Y. Monarch Research & Brokerage Private Limited (MRBPL).

Sr. No	Name of Statute	Nature of Due	Amount (₹ in Lakhs)	Period to Which the amount related	Forum where dispute is Pending
4	Income Tax	Income	0.09	A.Y. 2006-07	Assessing Officer
		Income Tax	21.13	A.Y.2007-08	Assessing Officer
		Income Tax	5.80	A.Y. 2007-08	Assessing Officer

According to the records of NSBL (Merged Entities), 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 (MRBPL during P.Y).

- (c) According to the information and explanation given to us and the other auditors, there are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956.
- (viii) The Holding Company, subsidiary companies and associate companies incorporated in India have consolidated accumulated losses at the end of the financial year which is less than fifty percent of its networth except three subsidiary companies. The group has not incurred cash losses on a consolidated basis, during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies and associate companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders
- (x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the terms and conditions of the guarantees given by the Holding Company and subsidiary companies and associate companies incorporated in India for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the respective companies.
- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, subsidiary companies and associate companies incorporated in India during the year for the purposes for which they were obtained
- (xii) According to the information and explanations given to us, there were no instances of material fraud on or by the companies in the Group, noticed or reported during the year, nor have we been informed of such case by management.

For Yogesh Thakker & Co
Chartered Accountants
Firm Reg. No. 111763W

Yogesh Thakker
Proprietor
M. No. 039631

Date: 29th May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	(Figures in ₹)	
		As at 31 st March, 2015	As at 31 st March, 2014
A. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	303,116,000	112,316,000
(b) Share Capital to be issued pursuant to the Scheme of Amalgamation	4		190,800,000
(c) Reserves and Surplus	5	110,944,534	92,493,951
(2) Share application money pending allotment			-
(3) Non-Current Liabilities			
(a) Long Term Borrowings	6	935,934	480,867
(b) Other Long term liabilities	7	26,137,791	22,730,411
(c) Long Term Provisions	8	12,878,056	1,568,815
(d) Minority Interest		6,821	20,001
(4) Current Liabilities			
(a) Short Term Borrowings	9	259,312,177	303,337,359
(b) Trade Payables	10	760,606,599	683,114,304
(c) Other Current Liabilities	11	26,851,913	55,752,445
(d) Short-Term Provisions	12	33,853,265	35,891,100
Total		1,534,643,090	1,498,505,253
B. ASSETS			
(1) Non-current assets			
(a) Fixed Assets:	13		
(i) Tangible Assets		54,927,591	103,275,091
(ii) Intangible Assets		13,840,354	12,363,701
(b) Non-Current Investments	14	33,873,762	18,818,567
(c) Deferred Tax Assets (net)		53,433,019	50,853,452
(d) Long Term Loans and Advances	15	369,629,408	204,542,042
(2) Current assets			
(a) Inventories	16	71,567,877	47,623,032
(b) Trade Receivables	17	610,433,767	567,142,379
(c) Cash and Bank Balances	18	217,807,377	157,416,871
(d) Short-Term Loans and Advances	19	101,283,538	221,540,075
(e) Other Current Assets	20	7,846,397	114,930,043
Total		1,534,643,090	1,498,505,253

Significant Accounting policies

2

The accompanying Notes from 29 to 43 are an integral part of Financial Statements.

As per our report of even date attached.

For Yogesh Thakker & Co

Chartered Accountants
Firm Reg. No. 111763W

Yogesh Thakker
Proprietor
M.No. 039631

For and on behalf of the Board

S.P. Jain
Chariman

Vaibhav Shah
Managing Director

Ashok Bafna
Chief Financial Officer

Sophia Jain
Company Secretary &
Compliance Officer

Date : 29th May, 2015

Place : Mumbai
Date : 29th May, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	(Figures in ₹)	
		Year Ended 31 st March , 2015	Year Ended 31 st March, 2014
1. Revenue from Operations	21	544,086,938	376,941,865
2. Other Income	22	53,938,081	40,964,746
3. Total Revenues (1+2)		598,025,018	417,906,611
4. Expenses:			
(a) Employee benefit expense	23	151,784,136	134,081,886
(b) Operating Expenses	24	182,401,816	134,507,223
(c) Administrative, Selling and Distribution Expenses	25	84,483,252	72,164,561
(d) Financial costs	26	71,759,497	56,675,233
(e) Depreciation and amortization expense	13	38,268,041	35,500,150
(f) Other expenses	27	15,002,923	3,519,337
(g) Provision for Standard Assets		13,452	(1,189,652)
(h) Provision for NPA		-	2,688,345
Total Expenses		543,713,117	437,947,083
5. Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (3-4)		54,311,902	(20,040,472)
6. Exceptional and Extraordinary Items/ Prior Period Adjustments		(266,782)	(17,921,883)
7. Profit /(Loss) before tax (5+6)		54,045,120	(37,962,355)
8. Tax expense:			
(a) Current tax		13,065,000	129,640
(b) Deferred tax		(2,294,381)	(15,883,143)
(c) Short/Excess Provision of tax		6,793,485	1,259,056
Total Tax Expense		17,564,104	(14,494,447)
Add:Share of Profit/(Loss) from Associate		206,471	51,356
Add:Minority Interest		(13,180)	4,384
9. Profit /(Loss) for the year (7-8)		36,674,307	(23,412,168)
10. Earning per equity share: (Face Value ₹ 10)	28		
(1) Basic		1.21	(2.08)
(2) Diluted		1.21	(2.08)

Significant Accounting policies

2

The accompanying Notes from 29 to 43 are an integral part of Financial Statements.

As per our report of even date attached.

For Yogesh Thakker & Co
Chartered Accountants
Firm Reg. No. 111763W

For and on behalf of the Board

Yogesh Thakker
Proprietor
M.No. 039631

S.P. Jain
Chariman

Vaibhav Shah
Managing Director

Ashok Bafna
Chief Financial Officer

Sophia Jain
Company Secretary &
Compliance Officer

Date : 29th May, 2015

Place : Mumbai
Date : 29th May, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Figures in ₹)

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	54,311,902	(20,040,472)
Adjustments for		
Depreciation	38,268,041	35,500,150
Gratuity Provision	(3,138,723)	(812,424)
Preliminary Expenses Written-off		-
Provision for Standard Assets		-
Provision for Sub-Standard Assets	13,452	(1,189,652)
Provision for NPA		2,688,345
Finance Expenses	71,759,497	56,542,722
Loss on assets sold/discarded	(130,423)	1,544,513
Provision for Doubtful Debts	-	-
Dividend Received	(157,367)	(65,949)
Interest Received	(26,165,517)	(15,592,171)
Operating profit before working capital changes	134,760,861	58,575,062
Adjustments for		
Decrease (Increase) in Trade and other Receivables	(5,183,070)	395,278,346
Increase (Decrease) in Trade Payable and Provisions	14,614,841	(548,237,496)
Cash Generated from operations	144,192,632	(94,384,088)
Income Tax Paid For The Year	(13,065,000)	-
Prior Period Items	(266,782)	(17,921,883)
Net Cash From Operating Activities	130,860,850	(112,305,971)
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(12,702,511)	(17,596,426)
Sale of Fixed Assets	2,162,544	118,773,912
Purchase of Shares/ Mutual Funds		(14,500,000)
Long term Loans & Advances Received back	-	6,243,332
Interest Received	26,165,517	15,592,171
Dividend Received	157,367	65,949
Net Cash from Investing Activities	1,282,917	123,078,938
C. Cash flow From Financing Activities		
Finance Expenses	(71,759,497)	(56,542,722)
Loan Funds	6,236	89,443,784
Net Cash used in Financing Activities	(71,753,261)	32,901,062
Net Increase in Cash & Cash Equivalents	60,390,507	43,674,029
Opening Balance of Cash & Cash Equivalents	157,416,871	113,742,842
Closing Balance of Cash & Cash Equivalents	217,807,378	157,416,871

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 43 are an integral part of Financial Statements.
As per our report of even date attached.

For Yogesh Thakker & Co

Chartered Accountants
Firm Reg. No. 111763W

Yogesh Thakker
Proprietor
M.No. 039631

Date : 29th May, 2015

For and on behalf of the Board

S.P. Jain
Chariman

Ashok Bafna
Chief Financial Officer

Place : Mumbai
Date : 29th May, 2015

Vaibhav Shah
Managing Director

Sophia Jain
Company Secretary &
Compliance Officer

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**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), Metropolitan Stock Exchange of India Limited (formerly known as MCX-Stock Exchange Limited) 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, Portfolio Management Services 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.

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

For the Financial year 2013-14, 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, 2015 and Statement of Profit and Loss for the year ended March 31, 2015 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, 2013. 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. 36.**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 II to the Companies Act, 2013 from the month following the month of purchase/acquisition of assets except Ravisha Financial Services Pvt Ltd in which company follows depreciation as per Schedule XIV to the Companies Act, 1956.

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

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 value).

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 (Previous year cost value)

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 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 Company NSBL (Merged Entities) has four operative segments namely, Capital Market (CM) Segment, Depository Participant (DP) segment and Merchant Banking (MB) segment and Portfolio Management Service (PMS). As the DP, PMS 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.

Particulars	(Figures in ₹)	
	As at 31 st March, 2015	As at 31 st March, 2014

Note 3 Share Capital**a. The Authorised Issued Subscribed and fully paid up share capital are as follows:****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
60,00,000 - Preference Shares of ₹ 10/ each	60,000,000	-
3,05,00,000 Equity Shares of ₹ 10/ each Previous Year (1,25,00,000)	305,000,000	125,000,000
	415,000,000	175,000,000

Issued Subscribed & Paid up Share Capital

3,03,11,600 Equity Shares of Rs ₹10/- each (Previous Year 1,12,31,600)	303,116,000	112,316,000
	303,116,000	112,316,000

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

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	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	19,080,000	190,800,000	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,311,600	303,116,000	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 31st March, 2015 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. 1,90,80,000 Equity shares of ₹ 10/- each were issued and allotted to the shareholders of the transferor companies during the year on the basis of consideration other than cash pursuant to the "scheme of Amalgamation between the Monarch Research and Brokerage Private Limited (MRBPL) and "Monarch Project and Finmarkets Limited (MPFL) (Transferor Companies) with the Company (Transferee "Company) as approved by the Hon'ble High Court of Gujarat vide its order dated 03rd May, 2013 & by the Hon'ble High Court of Bombay vide its order dated 07th August, 2014."

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

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 10/- each fully paid				
Mr. Suresh Jain	3292137	10.86	3,292,037	29.31
Mr. Suresh Bafna	2512500	8.29	-	-
Mr. Vaibhav Shah	2712000	8.95	-	-
Mr. Bankim Shah	2206000	7.28	-	-
Ms. Bela Shah	2406000	7.94	-	-
M/s Metaphore Reality Investments Pvt Ltd	2412000	7.96	-	-

- 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 (P.Y)

	(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.

Particulars	(Figures in ₹)	
	As at 31 st March, 2015	As at 31 st March, 2014
Note 5 Reserves & Surplus		
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	296,652,896	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	296,652,896
c. Surplus/(Deficit) in the Statement of Profit and Loss Opening balance	(252,513,995)	(352,971,572)
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	36,674,307	(23,412,168)
Less : Reserve & Surplus Of Network Softtech Ltd write back due to ceased to be subsidiary company w.e.f. 06/02/2014	-	(1,259,397)
Add/Less: General Reserve on Account of Depreciation	-	(18,223,724)
Closing Balance	(234,063,412)	(252,513,995)
d. Amalgamation Reserve Account Transferred from Capital Reserve of Erstwhile MPFL	33,191,490	30,000,000
Transferred from Securities Premium Account	-	3,191,490
	33,191,490	33,191,490
Total	110,944,534	92,493,951

Refer Note 31 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)

935,934	480,867
Total	480,867

Note:

- (a) Loan from NBFC of ₹ 9,35,934/- (P.Y ₹ 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

26,137,791	22,730,411
Total	22,730,411

Particulars	(Figures in ₹)	
	As at 31 st March, 2015	As at 31 st March, 2014
Note 8 Long-Term Provisions		
Provision for Gratuity	10,189,711	1,568,815
Provision for NPA	2,688,345	2,688,345
Total	12,878,056	4,257,160
Note 9 Short Term Borrowings		
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)	152,758,067	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	3,000,000
(d) Loan from NBFC* Loans & Advances	103,554,110	91,544,969 132,500,000
Total	259,312,177	303,337,359
* Loan from NBFC of ₹ 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	428,979,551	532,266,767
Sundry Creditors - Others	12,101,780	17,067,546
Banks & Financial Institutions	319,525,268	133,779,991
Total	760,606,599	683,114,304
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
(b) Statutory Remittances	5,388,227	6,342,936
(c) Payable for common infra.	-	49,199,695
(d) Other Current Liabilities	21,463,686	66,003
Total	26,851,913	55,752,445
Note 12 Short Term Provisions		
(a) Provision for employee benefits Salary & Reimbursements	10,435,119	3,606,651
(b) Others		
Provision for Income Tax	19,254,928	18,244,315
Expenses payable outstanding	3,853,329	4,880,413
Provision for Gratuity	-	5,521,831
Others	-	653,108
Provision for Standard Assets	309,889	296,437
Total	33,853,265	33,202,755

(Figures in ₹)

Particulars	Gross Block			Accumulated Depreciation & Amortization			Net Block		
	As at 01/04/2014	Additions	Deletions/ Adjustments	As at 31/03/2015	As at 01/04/2014	Additions	Deletions	As at 31/03/2015	As at 31/03/2014
1 Tangible asset									
a Improvement to Lease Assets	34,285,535		5,966,597	28,318,938	11,430,805	1,658,751	4,858,366	20,087,748	22,854,730
b Office Premises	-			-	-			-	-
c Air Conditioners	16,172,448	38,500	571,128	15,639,820	13,465,731	1,748,746	181,830	607,173	2,706,717
d Computer	126,617,585	1,234,947	1,292,969	126,559,563	95,807,171	14,322,691	1,180,919	17,610,620	30,810,414
e Furniture & Fixtures	19,963,368	1,111,627	818,323	20,256,672	15,472,023	5,184,190	399,541	-	4,491,345
f Vehicles	14,113,190	1,212,983		15,326,173	8,469,288	2,527,736	-	4,329,149	5,643,902
g Office Equipment	28,189,417	767,717	191,251	28,765,883	9,074,610	7,455,440	57,068	12,292,901	19,114,807
Total - 1	239,341,543	4,365,774	8,840,268	234,867,049	153,719,628	32,897,554	6,677,724	54,927,591	85,621,915
2 Intangible Assets									
a Computer Software	51,382,153	8,407,937	71,200	59,718,890	41,004,354	5,370,488	-	13,344,048	10,377,799
b Goodwill on Consolidation	496,306			496,306				496,306	496,306
Total - 2	51,878,459	8,407,937	71,200	60,215,196	41,004,354	5,370,488	-	13,840,354	10,874,105
Grand Total (1 + 2)	291,220,002	12,773,711	8,911,468	295,082,245	194,723,982	38,268,042	6,677,724	68,767,945	96,496,020
	417,394,090	17,596,426	143,770,514	291,220,002	163,533,145	35,500,152	23,452,087	115,638,792	

(Figures in ₹)

Note 14 Non-Current Investments

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	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	8,946,663	949,400	8,864,338
Network SoftTech Ltd.	1,500,000	15,472,870	50,000	500,000
Quoted				
(a) Investments in Equity Shares - Fully Paid up				
Sadbhav Engineering Ltd.	1,310	24,235	1,310	24,235
Of the Erstwhile MPFL				
- Indiabulls Limited	229,000	7,041,750	229,000	7,041,750
- NTPC Limited	2,000	414,500	2,000	414,500
- Power Grid Limited	13,700	1,467,955	13,700	1,467,955
Total	-	33,873,762	-	18,818,567

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

Note 15 Long-term Loans and advances**Unsecured considered good unless stated otherwise :****a. Security Deposits****Deposit with Stock Exchange & Financial Institutions**

Network Stock Broking Private Limited	182,901,161	65,315,518
Gratuity Fund	855,868	616,255

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	76,952,408	42,529,402
Advance Income Tax & Service Tax of erstwhile MRBPL	-	12,402,066
Advance Fringe Benefit Tax	2,058,456	2,058,456
Advance Wealth Tax	-	-

c. Other Deposits

Deposits for Arbitration Order of erstwhile MPFL	12,474,074	1,030,831
Deposits for PMS of the erstwhile MRBPL	1,100,000	1,100,000
Deposits for Office Premises - NSBL	90,528,103	43,922,788
Deposits for Office Premises -MPFL	-	1,808,493
Deposits for Telephone, VSAT, Electricity etc.- NBSL	2,759,338	220,151
Deposits for Telephone, VSAT, Electricity etc.- MPFL	-	450,000
Other Deposits (F.D. With Bank) - MRBPL	-	7,500,000

Total	369,629,408	204,542,042
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Particulars	(Figures in ₹)	
	As at 31 st March, 2015	As at 31 st March, 2014
Note 16 Inventories		
Stock in Trade* - NSBL	71,507,295	42,507,282
Stock in Trade - MRBPL	-	2,038,360
Stock in Trade - MPFL	-	2,998,900
Franking Balance on Hand - MPFL	50,420	72,500
Stock of Stamp- MPFL	10,162	5,990
Total	71,567,877	47,623,032

* 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	106,589,772	70,629,403
considered doubtful**	109,501,733	114,271,988
Sub-total	216,091,505	184,901,391
Others		
considered good #	501,328,493	489,227,219
Provision for doubtful receivables**	(106,986,231)	(106,986,231)
Total	610,433,767	567,142,379

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	1,427,900	4,661,056
b. Balances with Banks:		
In Earmarked Balances		143,061
In Current Account	111,052,698	67,804,450
Balances held as margin money deposits against guarantees*	43,500,000	50,000,000
Fixed Deposits held as Security Deposit -NSBL	61,826,779	23,048,842
Fixed Deposits held as Security Deposit - MPFL		11,759,462
(Fixed Deposit against membership deposit Rs. 50 Lacs)		
	216,379,477	152,755,815
Total	217,807,377	157,416,871

Particulars	(Figures in ₹)	
	As at 31 st March, 2015	As at 31 st March, 2014
Note 19 Short-Term Loans and Advances		
Advances to Staff	1,373,877	2,482,807
Advances to Suppliers	2,061,541	1,441,849
Prepaid Expenses	7,017,965	7,382,327
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	89,878,886	149,392,109
Advance Income Tax	-	12,380,811
Advance to Associates	951,269	
Total	101,283,538	221,540,075
Note 20 Other Current assets		
Of the erstwhile MPFL		
MAT Receivable	-	785,334
Income Tax refundable	-	20,544,709
Receivables against sale of property	7,616,818	93,600,000
Miscellaneous Expenditure to the extent not W/off	229,579	-
Total	7,846,397	114,930,043
		(Figures in ₹)
Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Note -21: Revenue from Operations		
Income From Operation:		
Brokerage & Related income	542,597,488	372,387,137
IPO Brokerage Commission	339,449	109,728
Merchant Banking income	1,150,000	4,445,000
Total	544,086,938	376,941,865
Note - 22 : Other Income		
Dividend Income	157,367	65,949
Interest Received On Fixed Deposits	26,165,517	13,755,213
Interest Received On Income Tax Refund	-	45,003
Interest Received On Others	-	2,855,822
DP Colateral Charges	178,261	1,713
Odin & Diet User Charges	636,397	271,000
Penalty Charges Recovered	785,265	430,182
BSE Derivative Incentive	-	566,940
Assets Usage Charges	-	3,195,950
Profit on Trading of Shares	24,597,199	17,827,110
Bad Debts Recovered	1,512	558,686
Excess provision For IT Written Back	-	-
Sundry Balance W/off (Net)	1,416,562	1,391,178
Total	53,938,081	40,964,746

Particulars	(Figures in ₹)	
	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
Note - 23 : Employee Benefit Expense		
Salaries & Wages	126,533,018	117,240,484
Contribution to Provident & other funds	8,174,877	3,692,989
Performance Incentive	5,992,046	964,828
Staff Welfare	5,251,879	3,841,925
Directors' Remuneration	5,832,316	8,253,660
Gratuity	-	88,000
Total	151,784,136	134,081,886
Note - 24 : Operating Expenses		
Demat Charges	6,378,781	3,488,963
Sub Brokerage & Commission Expenses	155,458,984	93,560,419
Stamping Charges	356,146	1,201,792
Penalty Account - BSE	-	18,712
Auto D.O. Charges	-	14,607
Exchange Expenses	418,497	748,460
Investors Protection Fund	-	4,655
Connectivity Charges	9,222,260	10,234,587
Insurance Charges (Exchanges)	567,945	730,139
Membership Fees & Subscription	1,893,356	1,449,032
Software Charges	8,105,847	6,587,626
Interest on Loan availed	-	16,459,371
Error Account	-	8,860
Total	182,401,816	134,507,223
Note - 25 : Administrative Selling and Distribution Expenses		
Administration expenses		
Legal & Professional Charges	17,354,852	10,374,345
Telephone/Communication Charges	6,408,987	5,767,115
Electricity Charges	9,938,589	10,476,713
Rent Rates & Taxes	24,402,835	22,103,949
Municipal Taxes	786,486	1,078,205
Assets Usage Charges	-	-
Repairs & Maintenance	5,316,655	5,058,132
Manpower supply charges	505,716	-
Insurance Charges	-	-
Postage & Courier Charges	4,680,662	3,299,230
Conveyance & Travelling	5,490,600	4,424,046
Printing Stationery & Xerox Charges	3,524,237	2,804,175
Directors' Sitting Fees	-	-
Provident Fund Administrative Charges	318,757	220,994
Profession Tax	43,580	27,068
Provision for Doubtful Debts	-	-
Share Registrar's Charges	36,000	69,000
Office expenses	2,198,637	2,610,255
Miscellaneous Expenses	-	19,299
Bad Debts	-	-
Vehicle Expenses	-	76,426
Staff Recruitment Expenses	181,680	372,340
Sauda Difference	10,700	15,100
Auditors' Remuneration	703,495	938,495
Short Provision of Tax	-	531,068
Service Tax Expenses	-	583,338
Recovery of Expenses **	-	(800,000)
Selling & Distribution Expenses		
Advertisement	1,085,129	208,540
Business Promotion Expenses	1,495,654	1,906,728
Total	84,483,252	72,164,561

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

Particulars	(Figures in ₹)	
	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
Note - 26 : Financial Costs		
Interest On Bank OD & Fin. Inst.	68,606,400	52,624,212
Loan Prepayment Charges	-	68,081
Interest On Car Loan	121,510	96,841
Bank Guarantee Charges	1,502,549	1,876,654
Bank & Fin. Institution charges	366,707	416,755
Interest on Late Payment of TDS	28,698	305,726
Other Interest	1,133,633	1,286,964
Total	71,759,497	56,675,233

Note - 27 : Other Expenses

Bad debts/Sundry Balance written off	14,605,830	1,687,027
Loss on Assets sold / discarded	(130,423)	1,544,513
Other Expenses	4,474	67,612
Charity & Donations	523,042	220,185
Total	15,002,923	3,519,337

Note: 28 Earning Per Share

Basic EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	36,674,307	(23,412,168)
Weighted Average Number of Shares Subscribed (Basic) B		30,311,600	11,231,600
Basic EPS	A/B	1.21	(2.08)
Diluted EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	36,674,307	(23,412,168)
Weighted Average Number of Shares Subscribed (Basic)		30,311,600	11,231,600
Add : Potential Equity Shares on account of conversion of Employee Stock Options		-	-
Weighted Average Number of Shares Outstanding	B	30,311,600	11,231,600
Diluted EPS	A/B	1.21	(2.08)

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:

- 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: 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	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 : 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.
- 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	80,800,000
	190,800,000

- 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: 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.

- b. 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.
- c. 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.
- d. 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:**

- a. Bank Gurantee Nil
- b. 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.
- c. 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
- d. 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 31 st March,2014
Service Tax matters pending with various authorities	5,797,691
Income Tax matters under appeal	3,048,207
Inter Corporate Guarantee	31,165,643
Total	40,011,541

Note: 36 Related Party Disclosure of NSBL

- (a) List of Related Parties and Relationship

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Network Commodities & Investments Ltd.	Subsidiary Company
Monarch Insurance Broking Private Limited	Subsidiary Company
Network Wealth Solutions Ltd.	100% Subsidiary Company
Ravisha Financial Services Private Ltd.	100% Subsidiary Company
Network Insurance Broking Private Ltd.	100% Subsidiary Company
Network Financial Services Ltd.	Associate Concern
Key Management Personnel	
Manish Ajmera	Chief Executive Officer/Director (Resigned on 23 rd June, 2014)
Randhir Sisodiya	"Executive Director (Appointment on 23 rd June 2014, "upto 1 st December, 2014)"
Vaibhav Shah	Managing Director (Appointment From 1 st December, 2014)
Others	
Mr. S. P. Jain	Chairman & Dominant Promoter Group
Mrs. Kanta Jain	Dominant Promoter Group
Mr. Suresh Bafna	Dominant Promoter Group
Mrs. Manju Bafna	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"	Enterprises over which Director/ Key Managerial Personnel/DPG are able to exercise significant influence
Premjayanti Properties- Partnership Firm (Mr. Vaibhav Shah & Mr. Himanshu Shah- being partners Network Softech Limited (Associate Company)	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	-	-	-	35,829,840
	PY	-	-	800,000	37,241,829
Rendering of Services	CY	-	7,210,742	11,400,000	24,610,742
	PY	-	1,890,660	6,000,000	20,610,660
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	31,125	-	-	31,125
	PY	8,834	-	-	8,834
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	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
1	Segment Revenue (net sale / income from each segment)		
	a Broking	5,563.79	3,957.33
	b Wealth management	193.44	30.89
	c Non banking financial business	339.40	272.47
	d Others	-	-
	Total	6,096.63	4,260.68
	Less: Inter segment revenue	119.11	418.82
	Net sales / income from operations	5,977.52	3,841.87
2	Segment Results Profit/ (Loss) before tax and interest		
	a Broking	768.98	112.06
	b Wealth management	41.63	1.14
	c Non banking financial business	25.74	(76.94)
	d Others	(0.40)	(0.15)
	Total	835.95	36.11
	Less: i. Interest Expenses	(557.15)	(566.75)
	Add: i. Un-allocable income	-	-
	ii. Interest Income	261.66	156.37
	Total Profit Before Tax	540.46	(374.27)
3	Segment Assets		
	a Broking	14,744.88	13,991.56
	b Wealth management	74.62	236.71
	c Non banking financial business	1,351.15	1,670.07
	d Others	53.26	53.42
	Total	16,223.91	15,951.75
4	Segment Liabilities		
	a Broking	8,939.19	8,397.93
	b Wealth management	1,057.41	1,251.59
	c Non banking financial business	1,110.05	1,453.20
	d Others	7.35	7.15
	Total	11,114.00	11,109.88

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

Note: 42 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: 43 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached.

For Yogesh Thakker & Co
Chartered Accountants
Firm Reg. No. 111763W

Yogesh Thakker
Proprietor
M.No. 039631

Date : 29th May, 2015

For and on behalf of the Board

S.P. Jain
Chariman

Ashok Bafna
Chief Financial Officer

Place : Mumbai
Date : 29th May, 2015

Vaibhav Shah
Managing Director

Sophia Jain
Company Secretary &
Compliance Officer

NETWORTH STOCK BROKING LIMITED

CIN: L65920MH1993PLC075393

Regd Off: Office No.901/902, 9th Floor, Atlanta Centre, Opp. UdyogBhawan, Sonawala Road, Goregaon (East), Mumbai-400063.

Tel: 022-30641600, Fax: 022-26850257,

Email: reachus@networthdirect.com,Website: www.networthdirect.com

FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholder(s),

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 additional details, as are 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:

Registered Folio No./DP ID & Client ID	
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 (In case of Body Corporate)	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

Place: _____

Date: _____

Signature of the Member

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agents of the Company viz. **"Skyline Financial Services Private Limited, Unit - Networth Stock Broking Limited, D- 153A, 1st Floor, Okhla Industrial Area, Phase- I, New 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 Networth Stock Broking Limited

Sophia Jain
Company Secretary & Compliance Officer

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NETWORTH STOCK BROKING LIMITED

CIN: L65920MH1993PLC075393

Regd Off: Office No.901/902, 9th Floor, Atlanta Centre, Opp. UdyogBhawan, Sonawala Road, Goregaon (East), Mumbai-400063.

Tel: 022-30641600, Fax: 022-26850257,

Email: reachus@networthdirect.com,Website: www.networthdirect.com

ATTENDANCE SLIP

22ND ANNUAL GENERAL MEETING ON WEDNESDAY, 30TH SEPTEMBER, 2015

(To be completed and presented at the Entrance)

Regd. Folio No.	
Client ID/ D.P. ID	
No. of Share(s) held	
Name and address of Shareholder	
Joint Holder 1	
Joint Holder 2	

I/we hereby record my/our presence at the 22ND ANNUAL GENERAL MEETING of the Company held on Wednesday, 30th September, 2015 at 12.30 p.m.at Jayleela Banquet, Opp. Railway Nagar, Sonawala Rd, Goregaon East, Mumbai - 400063, Maharashtra .

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 Annual Report. The voting period starts from Sunday, 27th September, 2015 (10.00 a.m.) and ends on Tuesday, 29th September, 2015 (5.00 p.m.). The voting module shall be disabled byCDSL for voting thereafter.

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NETWORTH STOCK BROKING LIMITED

CIN: L65920MH1993PLC075393

Regd Off: Office No.901/902, 9th Floor, Atlanta Centre, Opp. UdyogBhawan, Sonawala Road, Goregaon (East), Mumbai-400063.

Tel: 022-30641600, Fax: 022-26850257,

Email: reachus@networthdirect.com,Website: www.networthdirect.com

PROXY FORM

FORM NO. MGT-11

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

22ND ANNUAL GENERAL MEETING ON WEDNESDAY, 30TH SEPTEMBER, 2015

Name of the Member (s) : _____

Name(s) of the Joint Holder, if any : _____

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 22nd Annual General Meeting of the Company to be held on Wednesday, 30th day of September, 2015 at 12.30 p.m at Jayleela Banquet, Opp. Railway Nagar, Sonawala Road, Goregaon East, Mumbai, Maharashtra 400063 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 Share)		
		For	Against	Abstain
1	Ordinary Business: Ordinary Resolution for adoption of Audited Financial Statements (including Consolidated Audited Financial Statements) for the year ended 31 st March, 2015 and the Reports of the Directors' and the Auditors.			
2	Ordinary Resolution for appointment of a director in place of Mr. Vaibhav Shah, Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3	Ordinary Resolution for appointment of M/s. Parekh Shah and Lodha, Chartered Accountants (having FRN 107487W), Mumbai as Statutory Auditors of the Company to hold office from the conclusion of 22 nd Annual General Meeting till the conclusion of 26 th Annual General Meeting and to fix their remuneration.			
	Special Business:			
4	Ordinary Resolution for appointment of Mrs. Manju Bafna as Executive Director of the Company for the period of three years.			
5	Ordinary Resolution for appointment of Mr. Chetan Bohra as Independent Director.			
6	Special Resolution for approval of change of name of the Company.			

Signed this _____ day of _____ 2015

Signature of Member: _____

Signature of Proxy holder(s): _____

Affix Revenue Stamp of Re.0.15

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.

INTENTIONALLY LEFT BLANK

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