



MONARCH
NETWORTH CAPITAL

wealthcare redefined

07th October, 2016

To,
The Manager- CRD
BSE Limited
P. J. Towers
Dalal Street, Fort
Mumbai - 400 001

Dear Sir,

Scrip Code: 511551
Sub. : Submission of Annual Report 2015-2016

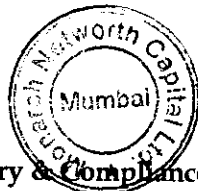
With reference to the above captioned matter and pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of Monarch Network Capital Limited for the financial year 2015-2016, duly approved and adopted by the members of the Company at 23rd Annual General Meeting of the Company held on Friday, 30th September, 2016 at 12.00 P.M. at Jayaleela Banquets, Opposite Railway Nagar, Sonawala Road, Goregaon (East), Mumbai, Maharashtra 400- 063.

The Annual Report is also uploaded on the website of the Company

Kindly take the above on your record.

Thanking You,
Yours Faithfully,

For Monarch Network Capital Limited
(Formerly known as Network Stock Broking Limited)



Sophia Jain
Company Secretary & Compliance Officer
Membership No.A37006

Encl.: A/a



MONARCH
NETWORK CAPITAL
—wealthcare redefined

Financial market simplified,
Wealthcare
redefined

Annual Report
2015-16





Future Watch-from the Chairman's Desk



Monarch Networth Capital is a strategic amalgamation of two leading financial service providers Monarch Group of Companies and Networth Stock Broking Ltd. During the financial year 2015-16 company has operationalised its merger from Exchanges point of view. On account of the above synergies and parallel developments, deployment of new business development strategies were not made and so as a reason, financial performance was bit on the lower side as compared to the immediate previous year. Revenues for the FY 2015-16 were at ₹455.36 MN as against revenues for FY2014-15 at ₹534.03. PAT decreased to ₹4.76 MN for FY2015-16 from ₹28.53 MN for FY2014-15. Consolidated revenue stood at ₹531.19 MN for FY2015-16 against ₹598.02 MN for FY2014-15 and Consolidated PAT was at 4.98 MN for FY2015-16 against 36.74 MN for FY2014-15. However, the Company has shown aggression in expansion of geographical locations by adding 9 new locations and has added 50 number of head counts strength.

Company is also focusing on increasing market share on online trading segment in line with PMs vision of digital India,

“I dream of a Digital India where – Mobile and e-Banking ensures Financial Inclusion – where e-commerce drives entrepreneurship”

Mr. Vaibhav Shah

Economic Overview

- India Macro Economics is progressing. Growth of Economy accelerated to 7.6% in 2015-16.
- Robust growth achieved despite very unfavourable global conditions and two consecutive years shortfall in monsoon by 13%. However, the upcoming year is forecasted to offer ample of monsoon.
- Foreign exchange reserves touched highest ever level of about 350 billion US dollars.
- RBI to facilitate retail participation in Government securities.
- Reforms steps taken by Government like Jan Dhan Yojana, LPG Gas subsidy reforms, Bankruptcy code, Real Estate Bills, Digital India, GST Tax reforms, Black Money Bill, Make in India and introduction of Income Tax disclosure scheme.
- The above reforms have highlighted India as expected as one of the favourite investment destination. Further, reduction in lending rates and increase in FDI limits in NBFC sector including securities broking segment will give impetus to Financial broking sector in India.

Overview of the Results:

(figure in Millions)

Particulars	Year Ended-2015-16	Year Ended-2014-15
Income	455.36	534.03
PAT	4.76	28.53
EPS (in ₹)	0.16	0.94

Forecast / Projection:

(figure in Millions)

Particulars	Year Ended-2015-16	Year Ended-2016-17
Income	455.36	600.00
PAT	4.76	75.00
EPS (in ₹)	0.16	2.47

Developments & Growth:

- Company/Group is under process to aggressively enter into:
 - Merchant Banking Services for IPO listing, Underwriting to the issue, market making services, arranger to the issue, business restructuring, buybacks and right issues, valuations etc
 - Debt Syndications services
 - Bond Market transactions and placements
 - Portfolio Management services
 - Investment Advisory Services
- Company has increased technology based trading and 15% of its overall volume is garnered through Mobile trading.
- Open new branches at Chandigarh, Karnal, Ludhina, Lucknow and Vijaywada

Hired 50 new number of employees

Certificate



Genesis of a journey to simplify wealth management

Monarch Network Capital is a strategic amalgamation of two leading financial service providers - Monarch Group of Companies and Network Stock Broking Ltd. With more than 2 decades in devising and executing smarter financial products and strategies, we have emerged as one of the leading and reliable financial services providers. We have added more verticals to our business ranging from pure stock broking services to the entire gamut of financial services such as primary marketing operations, mutual funds, insurance and comprehensive financial planning.

Our constant focus is on scaling and upgrading the technology and infrastructure with an aim of providing the best services to the investors. We have always believed in building a knowledge bank to bring about a progressive change for all our customers and stakeholders. This sharing of financial knowledge has been adding more value to our clients' assets. It has also established us as a unique entity in this domain.



Leading and simplifying progress

Vaibhav Shah

Chairman cum Managing Director - MNCL

He is the founder of the Monarch Group (Now Merged with Network Stock Broking Limited). With his rich experience of more than 24 years in the financial market, Vaibhav Shah is guiding the MNCL to its next progressive era. He is an enterprising leader with a keen eye to identify and capitalize upon new business opportunities propelling the business forward. He also has a natural flair for forging long term association with clients, vendors and external business partners. He is also a focussed sales leader who inspires the team with his pragmatic approach.

He has got a motivational management style with a proven history of building, guiding and retaining high-performance teams that develop and implement strategies for accelerated growth. He always strives to optimize operations, reduce costs and improve service quality while strengthening the bottom-line. It is through his exceptional leadership skills and outstanding commitment that Monarch Network has received several accolades in the recent times.

He is also an eminent speaker who regularly presents his views and expertise on various market related issues on print and electronic media. Vaibhav Shah is instrumental in the rapidly expanding Branch operation, media & branding functions. He possesses excellent communication and interpersonal skills & operates collaboratively with his team members to achieve a common goal. He is a man with a vision and is on a mission to create a wide-spread business of excellence for a brighter future of

Bankim Shah

Chief Operating Officer - MNCL

Bankim Shah is the overall Incharge, administrator and control head of MNCL. He has an expert vision when it comes to the stock market and its intermediaries. He also plays a vital role in the strategic decision-makings, overall growth and development of the organization. He seamlessly manages and coordinates various business functions like advising, staffing, communicating etc. He also dedicates his time on taking effective measures towards top investor services of the organization. He is also gifted with excellent operational and client management skills. He operates collaboratively with the team members to achieve a common goal of the group.

He also inspires the team by being actively involved in all internal programs and services, and works to develop a broad and deep knowledge base for all the programs. He prepares and submits the annual operational budget, manages the operations effectively within this budget, and reports accurately on the progressive strides and the challenges encountered. He promotes a culture of high performance and continuous improvement that values learning and a commitment to quality.

Shailen Shah

Associate Director - MNCL

Shailen Shah is an Associate Director in MNCL group and has an industry experience of over 18 years. He has played a key role in the group's rapid expansion pan India in the recent years. He also serves as a Director in a Non-Banking Financial Company. He has proven record in our Institutional Business Segment. He has also played a key role in establishing strong Institutional setup of more than 10 Banks, 13 DII's, 18 FII's & 6 Insurance companies.

Manju Bafna

Whole time Director - MNCL

Manju Bafna has done her Bachelors in Science from Mumbai University. She has over 22 years of experience in handling administrative affairs of the organization. She has a broad knowledge of organizing, managing and supporting the day to day activities required for running an organization. She is very flexible with strong team-working skills. She is able to work individually and as a part of a group seamlessly. She is involved in a wide variety of tasks in areas such as recruitment, human resource planning and management. With her excellent organizational skills gained through all-round administrative experience, she is enriching the group.

Ashok Bafna

Chief Financial Officer - MNCL

Ashok Bafna has an experience of over two decades in the broking services and handles the company's business affairs in the Maharashtra region. He develops the organization's financial strategies and contributes to disseminating financial and accounting information and analysis. He also offers his recommendations to the strategic thinking and provides direction for growth by establishing functional objectives in line with organizational objectives. He has a keen understanding of the capital market. He also oversees the administrative and compliance related affairs of the company along with investment of funds and managing associated risks.

He also plays a key role in supervising cash management activities, executing capital-raising strategies to supports Group's expansion and also acts as a Financial Gatekeeper.



Client First, Always

It's not just service that we offer. We deliver service that is **customized and personalized** by devising unobvious and smarter strategies.

We help our clients **reach their financial goals** and often **exceed** it. Technology is the tool that aids us in helping our clients.

At MNCL, we apply creative techniques & best research methodologies to provide **profit maximizing & risk minimizing solutions** for all our clients.

With proven track record of financial excellence and diversified client base including Retail Clients, Corporate Clients, Institutional Clients, HNIs, we are marching on to **transform the industry.**

Since the merger, we have doubled up the size of our organization and operations with an aim to nurture and improve our **innovations** and to execute excellence in an increasingly competitive and volatile world.

With **continuous innovation in products**, services, technological offerings, and customer engagement models, we are taking customer satisfaction to new heights.



Progressive Figures of our Journey so Far



Presence in more than **290** cities and **23** states across India
(Through Branches as well as Business Associates)

2,00,274+
Satisfied clients across India

65
Branch Offices across India

509 Skilled Professionals to help customers

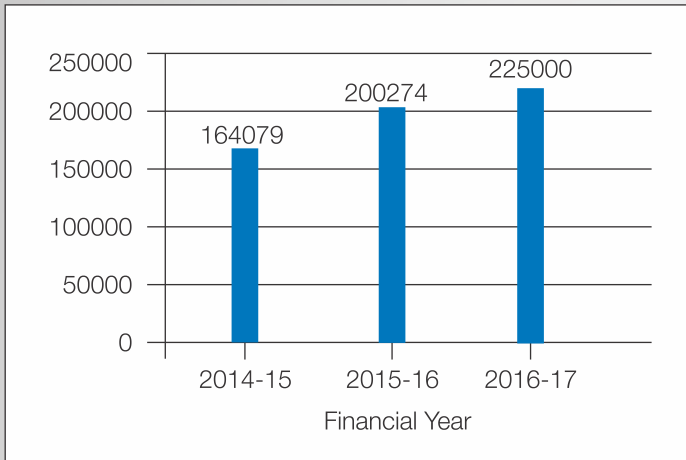
992
Business Associates

A Pan-India tie up with **Punjab National Bank** for online trading solutions available in more than **2300 PNB** offices

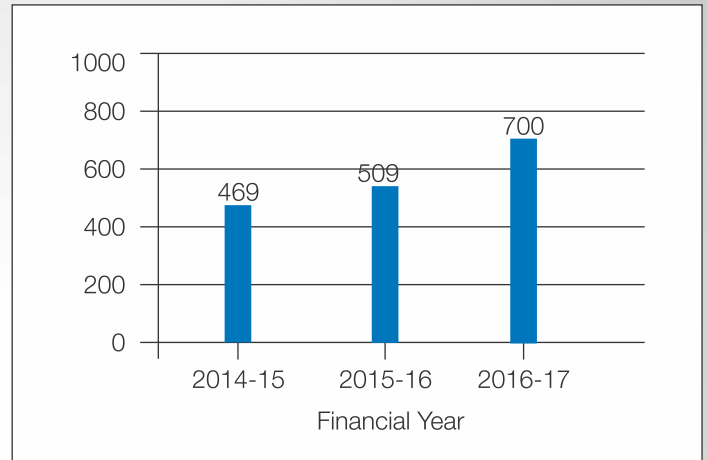
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Institutional Clients

Gearing up for a brighter future

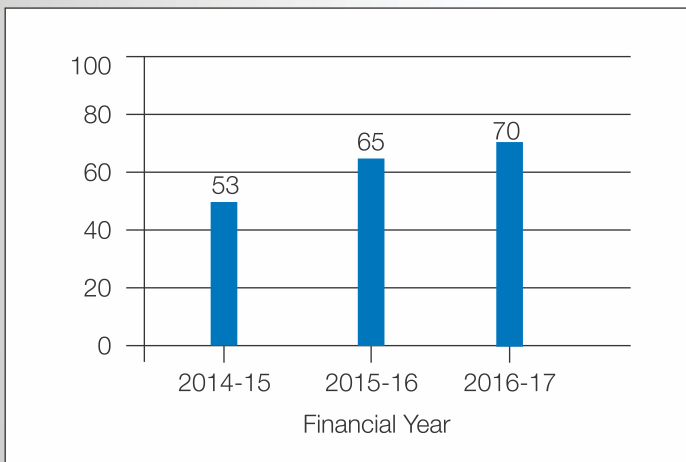
Registered Clients



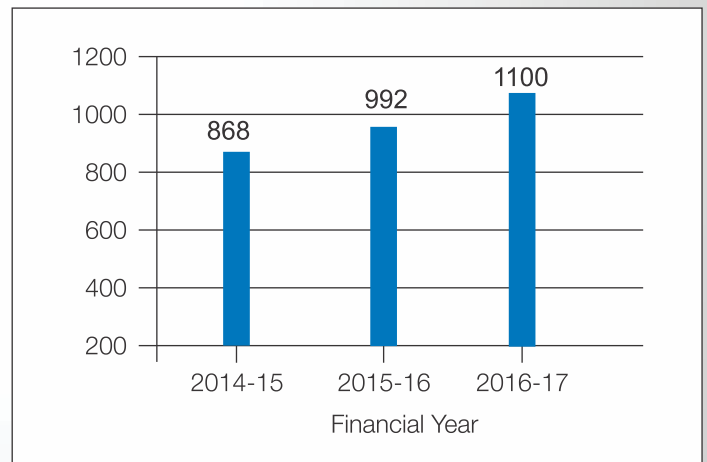
No. of Employees



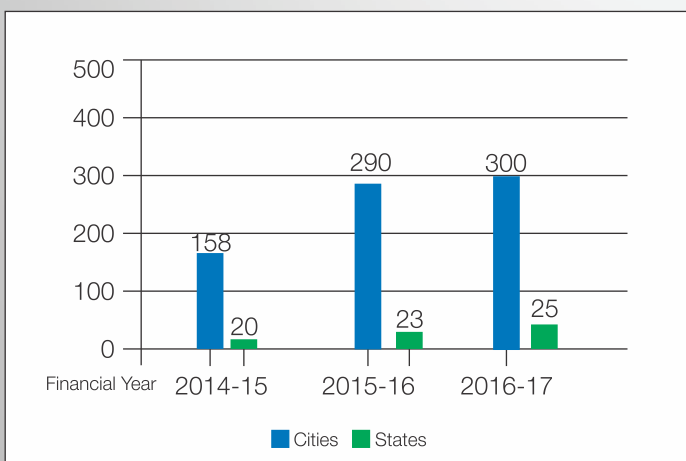
Branches



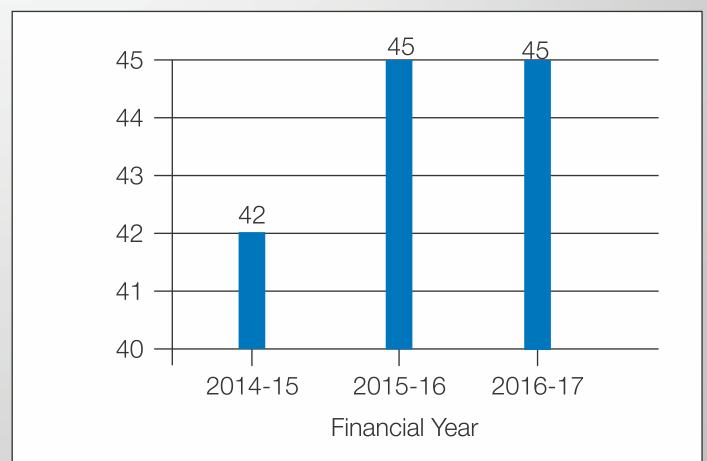
Business Associates



Presence in Number of Cities & States



Institutional Clients



Decisive edge that takes you closer to your dreams

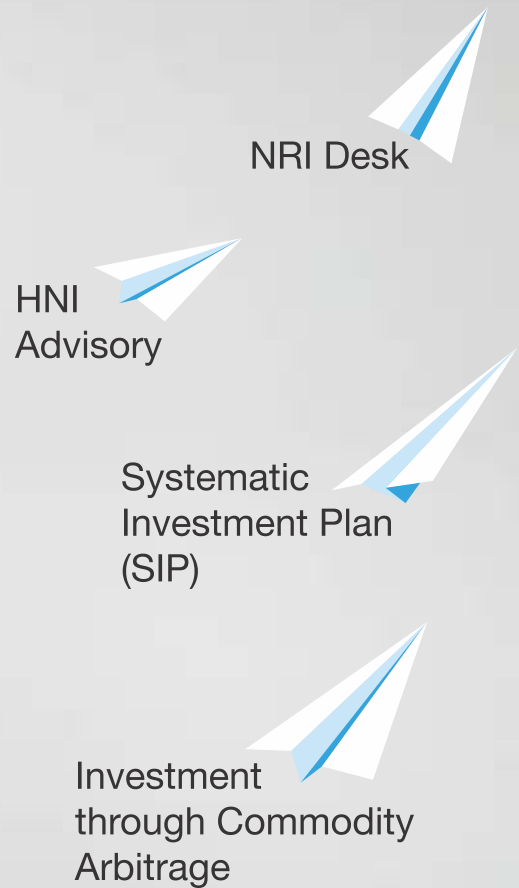
With our track record of more than 2 decades, we have evolved into a dynamic Corporation. By challenging our abilities, we have defied the conventional approach and emerged as a distinct identity. Today, we provide 360o financial solutions and services. One of the key factors for our success has been our keen insight pertaining to the upcoming financial trends, and recognizing as well as creating the tools needed to tap into the potential profits. We leverage all our resources for the purpose of creating wealth for our investors.



Financial Products



Financial Services



**An array
of opportunities
to realize your
financial quest**

We offer a wide range of products and financial services. It includes trading in equities, derivatives, commodities, currency, mutual funds, insurance and IPOs and many more. Our clients ranging from traders, investors, HNIs, NRIs to the Institutions and the FIIs enjoy financial stability, operational smoothness, personalized services, competitive brokerage and premium research facilities. Creating awareness and undertaking client empowerment initiatives and educative drives are of utmost importance to us. To facilitate our clients, we conduct seminars at many locations throughout the year in association with NSE/BSE/NSDL/CDSL and MCX. We invite our investors to attend these seminars to gain ideas on investments from it.

Excellence reinforced at every step

- 👑 Winner of CNBC-TV18's Financial Advisor Award for Western Region
- 👑 Proclaimed amongst the most read research Analyst by Thomson Reuters
- 👑 Got ISO 9001:2008 & ISO/IEC 27001:2005 in 2010
- 👑 Empanelled/ Servicing all Major AMCs, Insurance companies and Banks with our Investment Ideas and Research Products
- 👑 Top Performer in Active Accounts (Big DPs) of NSDL Star Performer Awards in 2013
- 👑 Top Performer in New Accounts –Opened (Non Bank Category-2nd Position) of NSDL Star Performer Awards-2014
- 👑 Leader in Go green Initiative of NSDL Star Performer Awards-2014
- 👑 Company was awarded with certificate of appreciation for amongst top performer in participation in volume by NSE in 2015



Harnessing technology, helping clients flow ahead

With mobiles emerging as more than just a call device, Mobile Trading is gaining fast acceptance. With growing penetration of internet, increasing demands of 3G and 4G networks, Mobile Trading is becoming a necessity for the modern traders.

To address this need of clients, we have launched our Mobile Trading Platform with all essential features required for fast and accurate trading. Our Mobile Trading Platform provides secure trading



Key Features of our Mobile Trading Platform



Translating data into fruitful insights

Fundamental Research Desk

- Our fundamental research desk follows the bottoms up process for stock picking and also covers small and mid-cap stocks from various sectors and industries.
- We constantly track the developments and events taking place which are related to particular stocks and sectors.
- We are also in touch with the management teams of companies to gain better understanding of the stocks under our coverage.
- Our analysts frequently visit plants, companies and also attend various management meets, road shows etc. to strengthen their knowledge of stocks under our coverage.
- Also, frequent interactions take place with CEOs, fund managers and analysts for clarity on markets and stocks in the radar of various institutional investors.

Research Activity

1. Instant support on any stock at a technical level
2. Fundamental research setup
3. Get good returns on the positional call
4. Get sector specific reports which aid in picking the right stock at the right time
5. Special reports for NRI, Institutional and HNI Clients





OUR TEAM





MONARCH
NETWORK CAPITAL
— wealthcare redefined

Annual Report **2015-16**

Board of Directors:

Mr. Suresh P. Jain : Director & Chairman*
(Chairman & Director upto 12th February, 2016)
Mr. Vaibhav Shah : Chairman*cum Managing Director
(Chairman w.e.f 12th February, 2016)
Mrs. Manju Bafna : Whole-Time Director
Mr. Mayukh Pandya : Independent Director
Mr. Shailesh Desai : Independent Director
Mr. Chetan Bohra : Independent Director

Chief Financial Officer:

Mr. Ashok Bafna

Company Secretary & Compliance Officer:

Ms. Sophia Jain

Registered & Corporate 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@mnclgroup.com
Website: www.mnclgroup.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:

M/s. Nautam Vakil & Co
Chartered Accountants, Ahmedabad

Secretarial Auditors:

M/s. VKM & 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 : Friday
Date : 30th September, 2016
Time : 12.00.P.M.
Venue : Jayleela Banquet Opp. Railway Nagar,
Sonawala Rd, Goregaon East, Mumbai – 400 063

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MONARCH NETWORK CAPITAL LIMITED
(FORMERLY KNOWN AS NETWORK STOCK BROKING LIMITED)

CIN: L65920MH1993PLC075393

Regd. Office: Office No. 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (East),
Mumbai – 400 063. Tel.: 022 – 3064 1600, Fax: 022 – 2685 0257,
E-mail: reachus@mnclgroup.com, Website: www.mnclgroup.com

NOTICE is hereby given that the 23rd Annual General Meeting of the members of Monarch Network Capital Limited will be held on Friday, the 30th day of September, 2016 at 12.00p.m. at Jayleela Banquet, Opp. Railway Nagar, Sonawala Road, Goregaon (East), Mumbai – 400063, Maharashtra, to transact the following businesses:

ORDINARY BUSINESS:**Item No.1 : Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements (including Consolidated Audited Financial Statements) of the Company for the year ended 31st March, 2016 together with the Reports of the Board of Directors' and the Auditors' thereon.

Item No. 2 : Appointment of Mrs. Manju Bafna as a director liable to retire by rotation

To appoint a Director in place of Mrs. Manju Bafna , (DIN 01459885) Whole-Time Director, who retires by rotation and being eligible, offers herself for re-appointment.

Item No. 3 : Appointment of Auditor

To ratify the appointment of M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai (having FRN: 107487W), as approved by the members at the 22nd Annual General Meeting as Statutory Auditors of the Company to hold office upto the conclusion of 26th Annual General Meeting and to fix remuneration for the financial year ending 31st March, 2017.

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

“RESOLVED THAT pursuant to the provisions of Section 142 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 and pursuant to the resolution passed by the members at the 22nd Annual General Meeting held on 30th September, 2015, the appointment of M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai (FRN: 107487W) as the Statutory Auditors of the Company 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, be and is hereby ratified and the Board of Directors of the Company be and are hereby authorized to fix the Auditor's remuneration payable for the financial year ending 31st March, 2017 in consultation with the auditors.”

SPECIAL BUSINESS:

Item No. 4:-To consider the re-appointment of Mr. Vaibhav Shah (DIN :00572666)as Managing Director of the Company and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and the 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 re-appointment of Mr. Vaibhav Shah (DIN :00572666) as Managing Director of the Company for a period of 3 (Three) Years with effect from 01st December, 2015 to 30th November, 2018 be and is hereby approved on the following terms and conditions:

Sr No.	Components	Per Month (Amount) (Rs.)
1	Basic Salary	1,25,000
2	Special Allowance	47,437
3	House Rent Allowance	50,000
4	Conveyance	1,600
5	Leave Travelling Allowance	12,500
6	Medical	1,250
7	Statutory Bonus	10,413
8	Employer's contribution to Provident Fund	1,800
9	Gratuity	6,038
	Total	2,56,038

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Vaibhav Shah as Managing 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 and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

Item No. 5:- To consider and determine the fee payable by members for delivery of documents through a particular mode of delivery to a member as per Section 20 of the Companies Act, 2013 and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded not to charge any fee from member, if any request has been made by such member for delivery of document to him/her through particular mode of service.”

By Order of the Board of Directors

For **Monarch Networth Capital Limited**
(Formerly Known As Networth Stock Broking Limited)

Place: Mumbai
Date: 03rd September, 2016

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. Additional information, pursuant to Regulation 36 of the SEBI (Listing and Obligations Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/ re-appointment at the AGM, is furnished to the Notice. The directors have furnished their consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules, thereunder.
5. Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 26th day of September, 2016 to Friday, 30th day of September, 2016 (both days inclusive).
6. The Register of Directors and Key Managerial Personnel and their Shareholdings, maintained under Section 170 and Register of Contract 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: Monarch Network Capital 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/Registrar & Share Transfer Agents quoting their Folio Number and Bank Account Details alongwith self-attested documentary proofs. Members holding shares in the dematerialized 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 Registrar & Share Transfer Agent 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 23rd Annual General Meeting and instructions for remote e-voting along with 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 23rd Annual General Meeting to be held on Friday, 30th September, 2016. 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 23rd AGM. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote against the AGM.

The Company has appointed M/s. VKM & 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 Friday, 23rd September, 2016 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. Friday, 23rd September, 2016, 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 Tuesday, 27th September, 2016 (10.00 a.m.) and ends on Thursday, 29th September, 2016 (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. Friday, 23rd September, 2016, 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 your 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) 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 your password with any other person and take utmost care to keep your 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 **MONARCH NETWORK CAPITAL 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 Friday, 30th September, 2016.

(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. Friday, 23rd September, 2016.
- (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. Friday, 23rd September, 2016, 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 member can use your 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 23rd 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. VKM & 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.

Additional Information on directors recommended for appointment/re-appointment as required under Regulation 26 (3) of the SEBI (Listing and Obligation Disclosure Requirements) Regulations 2015 at ensuing Annual General Meeting are as follows:

Name of the Director	Mrs. Manju Bafna	Mr. Vaibhav Shah
DIN	01459885	00572666
Date of Birth	15 th January, 1963	17 th April, 1972
Nationality	Indian	Indian
Date of Appointment as Director	13 th February, 2015	01 st December, 2015
Qualifications	B.Sc	B.Sc
Designation	Whole Time Director	Managing Director
Experience/Expertise	29 Years of Experience in Administration and Capital Market	22 Years of Experience in Capital Market and 12 Years of Experience in Commodity Derivative Market
Shareholding in the Company (Equity shares of Rs. 10/- each)	15,07,500	27,12,000
List of directorships held in various other Companies	1. Sur-Man Investment Limited 2. Samarpan Properties Private Limited 3. Simandhar Securities Private Limited	1. Monarch Comtrade Private Limited 2. Premjayanti Enterprises Private Limited 3. Monarch Infraparks Private Limited 4. Sakariya Monarch Procon LLP(Designated Partner)
List of Chairmanship of various Committee and Membership in Public Companies	Nil	Nil
Relationship with existing Directors of the Company	None	None

By Order of the Board of Directors

For Monarch Networth Capital Limited
(Formerly Known As Networth Stock Broking Limited)

Place: Mumbai
Date: 03rd September, 2016

Sophia Jain
Company Secretary & Compliance Officer

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

Item No. 04:

Mr. Vaibhav Shah (DIN :00572666), whose term as Managing Director was valid till 30th November, 2015, was re- appointed as an Managing Director of the Company for a period of 3 (Three) years w.e.f. 01st December, 2015 on the terms and conditions as provided in resolution as set out at item no. 4 of the Notice. He is a Science Graduate and also possess experience of 22 years of experience in Capital Market & 12 years in Commodity Derivatives Market.

As per provisions of Schedule V of the Companies Act, 2013, the appointment and remuneration payable to Mr. Vaibhav Shah needs to be approved by the shareholders of the Company in general meeting.

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

Except, Mr. Vaibhav Shah, 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:-

As per Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, provision to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on 12th August 2016 has proposed that no fee be charged from the member, if any request has been made by any member for delivery of such documents to him/her through particular mode of service.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financial or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution as set out in the Notice for approval of the Members.

By Order of the Board of Directors

For Monarch Network Capital Limited
(Formerly Known As Network Stock Broking Limited)

Place: Mumbai
Date: 03rd September, 2016

Sophia Jain
Company Secretary & Compliance Officer

DIRECTORS' REPORT

To
The Members,
Monarch Network Capital Limited

Your Directors present the 23rd Annual Report together with Financial Statements of the Company for the financial year ended 31st March 2016.

FINANCIAL HIGHLIGHTS:

The financial performance of the Company is summarized below:

(Rs.in Lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Total Revenue (net)	4553.64	5340.32
Profit before Finance Cost, Depreciation & Amortization expenses and Tax	736.82	1327.82
Finance Cost	598.28	555.30
Depreciation and Amortization expenses	180.35	331.15
Profit/(Loss) before exceptional items and tax	(41.81)	441.36
Add: Exceptional/Extraordinary Items and Prior Period Adjustments	(7.57)	(2.44)
Profit/(Loss) before tax	(49.38)	443.81
Less: Provision for tax	(96.99)	158.50
Profit / (Loss) after tax	47.61	285.31

FINANCIAL PERFORMANCE:

The total income of the Company for the year under review stood at Rs. 4553.64 Lakhs (previous year Rs. 5340.32 Lakhs). During the year the Company earned net profit of Rs. 47.61 Lakhs (previous year profit of Rs. 285.31 Lakhs).

SHARE CAPITAL:

There was no change in Share Capital of the Company during the Financial Year 2015-16.

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.

LISTING AGREEMENT:

The Securities and Exchange Board of India (SEBI) on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The company entered into the Listing Agreement with Bombay Stock Exchange Limited on 12th February, 2016.

EXTRACT OF ANNUAL RETURN:

An extract of Annual Return in Form MGT 9 is appended to this Report as Annexure - 1.

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, Mrs. Manju Bafna, Whole-Time Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

Mr. Vaibhav Shah, whose term as Managing Director was valid till 30th November, 2015, was re-appointed as an Managing Director of the Company for a period of 3 (Three) Years with effect from 01st December, 2015 to 30th November, 2018 subject to the approval of shareholders in the ensuing General Meeting and being eligible offers himself for re-appointment.

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

MONARCH NETWORK CAPITAL LIMITED

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. Suresh P. Jain	Chairman cum director	NA	12th February, 2016
2.	Mr. Vaibhav Shah	*Chairman cum Managing Director	*Managing Director- w.e.f. 01st December, 2015 & Chairman w.e.f. 12th February, 2016	NA

Additional Information on directors recommended for appointment/re-appointment as required under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at ensuing Annual General Meeting are given in the Notice convening 23rd Annual General Meeting.

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 days prior to the date of the meeting.

The Board met 14 (fourteen) 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:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- i. Board dynamics and relationships
- ii. Information flows
- iii. Decision-making
- iv. Relationship with stakeholders
- v. Company performance and strategy
- vi. Tracking Board and committee's effectiveness
- vii. Peer evaluation

Pursuant to the provisions of the Companies Act, 2013 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 Committee 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

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from all the Independent Directors of the Company under sub-section (7) of Section 149 of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Audit Committee is given in Report on Corporate Governance, 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 2015-2016, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

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.mnclgroup.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 forms part of Notes to the Financial Statements provided in this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Policy Transactions entered during the year were in Ordinary Course of the 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.

CORPORATE SOCIAL RESPONSIBILITY:

Due to insufficient profits, Corporate Social Responsibility is not applicable to the Company.

STATUTORY AUDITORS:

At the 22nd Annual General Meeting of the Company held on 30th September, 2015, M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai (having FRN: 107487W), were appointed as Statutory Auditors of the Company to hold office upto the conclusion of 26th Annual General Meeting. In terms of Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting of the Company. Accordingly, the appointment of M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai (having FRN: 107487W), as Statutory Auditors of the Company, is placed for ratification by the shareholders and to fix remuneration for the financial year ending 31st March, 2017.

The Auditor's Report for the year ended 31st March, 2016 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with Financial Statements in this Annual Report.

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. VKM & Associates, Practising Company Secretaries, Mumbai is provided in **Annexure III** and forms part of this Annual report.

Secretarial Auditor's Remarks:

With respect to the Remark(s)/Observations or disclaimer made by the Secretarial Auditors in their Report, we hereby state that the charges appearing on the MCA's Website with respect to loan taken from HDFC Bank Limited, State Bank of Saurashtra and Corporation Bank have already been satisfied by the Company. However, the company is in process of obtaining the requisite letter from bank for satisfaction.

STOCK EXCHANGE:

The Equity Shares of the Company are listed at BSE Limited. The Company has paid the Annual listing fees for the year 2016-2017 to the said Stock Exchange.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

Corporate Governance is about maximizing shareholders value legally, ethically and sustainability. At Monarch Network, the goal of Corporate Governance is to ensure fairness for every stakeholder. We believe Corporate Governance is critical to enhance and retain investor trust. Our Board exercises its judiciary responsibilities in the widest sense of the term. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

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.
- Certificate regarding CEO/CFO Certification in terms of the Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 the

Conservation of Energy, Technology Absorption and 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:

(Figures in ₹)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Foreign exchange earning	10,841	Nil
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: 03rd September, 2016

Vaibhav Shah
Chairman cum Managing Director

Manju Bafna
Whole-Time Director

ANNEXURE - I
EXTRACT OF ANNUAL RETURN
Form No. MGT-9(As on the financial year ended on 31st March, 2016)

[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	Monarch Network Capital 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@mnclgroup.com Website – www.mnclgroup.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	94.97

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	Networth Commodities & Investments Limited Office no.901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063	U67120MH2000PLC128451	Subsidiary	99.96	2 (87) (ii)
	Networth Wealth Solutions Limited Office no.901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063	U67120MH2008PLC179566	Subsidiary	100.00	2 (87) (ii)
	Networth Insurance Broking Private Limited Office no.901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400 063	U66030MH2008PTC184334	Subsidiary	100.00	2 (87) (ii)
	Ravisha Financial Services Private Limited Office no.901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063	U65900MH1996PTC100919	Subsidiary	100.00	2 (87) (ii)
	Monarch Networth Investment Advisors Pvt Ltd. (Formerly known as Monarch Insurance Broking Private Limited) A/64, Pariseema Complex, Opp. LalBunglow, C. G. Road, Ellisbridge, Ahmedabad, Gujarat - 380006	U74140GJ2007PTC052348	Subsidiary	99.98	2 (87) (ii)
	Networth Financial Services Limited Office no.901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063	U65990MH2004PLC147970	Associate	45.32	2 (6)
	Networth SoftTech Limited Office no.901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063	U72200MH2007PLC172069	Associate	20.10	2 (6)

MONARCH NETWORK CAPITAL LIMITED

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 end 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	18832287	0	18832287	62.13	18832287	0	18832287	62.13	0.00
(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.	1407000	0	1407000	4.64	1407000	0	1407000	4.64	0.00
(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)	20239287	0	20239287	66.77	20239287	0	20239287	66.77	0.00
(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)	20239287	0	20239287	66.77	20239287	0	20239287	66.77	66.77
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	0.99	298845	300	299145	0.99	0.00
(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	0	0	0	0	9155	0	9155	0.03	0.03
(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)	298845	300	299145	0.99	308000	300	308300	1.02	2.97
(2) Non Institutions									
(a) Bodies Corp.	4596496	11651	4608147	15.20	4639285	11651	4650936	15.34	0.93
(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	1759724	255435	2015159	6.65	1762100	253636	2015736	6.65	0.03
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	2692333	0	2692333	8.88	2641965	0	2641965	8.72	-1.87
(c) Others									
NRI - Repatriable & Non Repatriable	118061	0	118061	0.39	113551	0	113551	0.37	-3.82
Hindu Undivided Family	329090	0	329090	1.09	350455	0	350455	1.16	-6.50
Clearing Members	1223	0	1223	0.00	525	0	525	0.00	-57.08
Qualified Foreign Investor- Corporate	9155	0	9155	0.03	0	0	0	0	-0.03
Sub-Total (B)(2)	9506082	267086	9773168	32.24	9507881	265287	9773168	32.24	0.00
Total Public Shareholding (B)	9804927	267386	10072313	33.23	9806726	265587	10072313	33.23	0.00
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)	30044214	267386	30311600	100.00	30046013	265587	30311600	100.00	0.00

ii. Shareholding of Promoters and Promoters' Group:

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

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	10.86		
	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	Mrs. Kanta Suresh Jain				
	a) At the Beginning of the Year	278300	0.92		
	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	0.00		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			850	0.00
4	Mrs. Hemangi Shah				
	a) At the Beginning of the Year	100000	0.33		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			100000	0.33
5	Mr. Ashok Bafna				
	a) At the Beginning of the Year	703500	2.32		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			703500	2.32
6	Mr. Shailen Shah				
	a) At the Beginning of the Year	703500	2.32		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			703500	2.32

MONARCH NETWORK CAPITAL LIMITED

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*
7	Mrs. Kinnari Shah				
	a) At the Beginning of the Year	1204000	3.97		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			1204000	3.97
8	Mr. Himanshu Shah				
	a) At the Beginning of the Year	1206000	3.98		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			1206000	3.98
9	Mrs. ManjuBafna				
	a) At the Beginning of the Year	1507500	4.97		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			1507500	4.97
10	Mr. Bankim Shah				
	a) At the Beginning of the Year	2206000	7.28		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			2206000	7.28
11	Mrs. Belaben Shah				
	a) At the Beginning of the Year	2406000	7.94		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			2406000	7.94
12	Mr. Suresh Bafna				
	a) At the Beginning of the Year	2512500	8.29		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			2512500	8.29
13	Mr. Vaibhav Shah				
	a) At the Beginning of the Year	2712000	8.95		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			2712000	8.95
14	M/s. Simandhar Securities Pvt. Ltd.				
	a) At the Beginning of the Year	1407000	4.64		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			1407000	4.64

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	Metaphor Realty Investments Pvt. Ltd.				
	a) At the Beginning of the Year	2412000	7.96		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			2412000	7.96
2	DSP HMK Holdings Pvt. Ltd.				
	a) At the Beginning of the Year	519043	1.71		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year			519043	1.71
3	Spot Light Securities Pvt. Ltd.				
	a) At the Beginning of the Year	480545	1.59		
	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	1.15		
	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				
	17/07/2015- Sale	(200000)	0.66		
	c) At the end of the Year			120000	0.40
6	M/s. Punjab National Bank				
	a) At the Beginning of the Year	298845	0.99		
	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	0.54		
	b) Changes during the Year				
	1) 30.10.2015- Purchase	3598	0.01	166098	
	2) 20/11/2015- Sale	(3598)	0.01	162500	
	c) At the end of the Year			162500	0.54
8	Ms. Usha Mahendra Sanghvi				
	a) At the Beginning of the Year	151270	0.50		
	b) Changes during the Year	No changes during the year			
	c) At the end of the Year			151270	0.50

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
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	136847	0.45		
	b) Changes during the Year				
	1) 31/07/2015- Purchase	70000	0.23		
	2) 04/09/2015- Purchase	80000	0.26		
	3) 23/09/2015- Sale	(3000)	0.01		
	4) 02/10/2015- Sale	(150000)	0.49		
	5) 09/10/2015- Purchase	137000	0.45		
	6) 16/10/2015- Sale	(12602)	0.04		
	7) 11/12/2015- Sale	(3000)	0.01		
	c) At the end of the Year			255245	0.84
11	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			188187	0.62

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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	Mr. Vaibhav Shah				
	a) At the Beginning of the Year	2712000	8.95		
	b) Changes during the Year	No Changes During the year			
	c) At the end of the Year			2712000	8.95
2	Mr. Suresh P. Jain (upto 12th February, 2016)				
	a) At the Beginning of the Year	3292137	10.86		
	b) Changes during the Year	No Changes During the year			
	c) At the end of the Year			3292137	10.86
3	Mrs. Manju Bafna				
	a) At the Beginning of the Year	1507500	4.97		
	b) Changes during the Year	No Changes During the year			
	c) At the end of the Year			1507500	4.97
4	Mr. Chetan Bohra				
	a) At the Beginning of the Year	1500	0.00		
	b) Changes during the Year	No changes during the year			
	c) At the end of the Year			1500	0.00

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*
5	Mr. Mayukh Pandya				
	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				
	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				
	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				
	a) At the Beginning of the Year	703500	2.32		
	b) Changes during the Year	No changes during the year			
	c) At the end of the Year			703500	2.32

VI. INDEBTEDNESS:

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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
Changes in indebtedness during the financial year				
> Addition	0	-	-	0
> Reduction	349388	-	-	349388
Net Change	349388	-	-	349388
Indebtedness at the end of the financial year				
i) Principal Amount	586546	3000000	-	3586546
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	586546	3000000	-	3586546

MONARCH NETWORK CAPITAL LIMITED

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i. Remuneration to Managing Director, Whole-time Directors and/ or Manager:

Particulars of Remuneration	Mr. Vaibhav Shah Whole-Time Director	Mrs. Manju Bafna Executive Director	Total Amount (in Rs.)
Gross Salary:			
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	29,78,400	1,84,500	31,62,900
(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	29,78,400	1,84,500	31,62,900
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					Total Amount (in Rs.)
		Mr. Mayukh Pandya	Mr. Shailesh Desai	Mr. Chetan Bohra	Mr. S.P. Jain (Non- Executive Chairman)	
1	Sitting Fees	Nil	Nil	Nil	Nil	Nil
2	Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil	Nil
3	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total	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	Ms. Sophia Jain	Mr. Ashok Bafna	Total Amount (in Rs.)
	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	3,68,193	4,20,000	7,88,193
(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	3,68,193	4,20,000	7,88,193
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 OF 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

(Rs. In Lakhs)

Particulars	Networth Commodities & Investments Ltd.	Networth Wealth Solutions Ltd.	Ravisha Financial Services Pvt. Ltd.	Networth Insurance Broking Pvt. Ltd.	Monarch Networth Investment Advisors Pvt Ltd. (Formerly known as Monarch Insurance Broking Pvt. Ltd.)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016
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	800.00	1.00	50.00
Reserves	57.03	(1088.90)	(294.47)	(0.65)	(4.55)
Total Assets	1102.14	49.76	2816.98	3.09	50.11
Total Liabilities	905.04	1038.66	2311.45	2.74	4.66
Investments (except in subsidiary companies)	0.49	0.00	0.00	0.00	0.00
Total Turnover	260.40	43.92	392.35	0.00	0.00
Profit/(Loss) before Taxation	60.56	(5.87)	(31.86)	(0.02)	(0.08)
Provision for Taxation	22.08	0.24	0.56	0.00	0.00
Profit /(Loss) after Taxation	38.47	(6.11)	(32.43)	(0.02)	(0.08)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00
% of shareholding	99.95	100.00	100.00	100.00	100.00

- Names of subsidiary 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

Sr No.	Name of the Associates	Networth Financial Services Limited	Networth SoftTech Ltd.
1	Latest audited Balance Sheet Date	31.03.2016	31.03.2016
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	0.24	4.84
	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: 3rd September, 2016

Vaibhav Shah
Chairman cum Managing
Director

Manju Bafna
Whole-Time Director

Ashok Bafna
Chief Financial Officer

Sophia Jain
Company Secretary &
Compliance Officer

ANNEXURE - III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Member,
Monarch Network Capital Limited
Office no.901/902, 9th Floor,
Atlanta Centre, Opp.Udyog Bhavan,
Sonawala Road, Goregaon (East),
Mumbai 400063

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Monarch Network Capital Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us 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 authorised 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 March 31, 2016 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 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 March 31, 2016 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 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 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 (effective 15th May 2015);
 - (c) Securities and Exchange Board of India (Stock Brokers And Sub-Brokers) Regulations, 1992;
 - (d) Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
 - (e) Securities and Exchange Board of India (Intermediaries) Regulations, 2008;
 - (f) Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
 - (g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable as the company has not issued any shares during the year under review;
 - (h) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;
 - (i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
 - (j) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993 – Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
 - (k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review;
 - (l) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review;
6. Other Laws applicable to the Company;
 - i. The Employee Provident Fund and Miscellaneous Provisions Act, 1952
 - ii. The Payment of Gratuity Act, 1972;
 - iii. Maharashtra State Tax on Professions, Trades, Callings and Employments Act 1975;

- iv. The Maternity Benefits Act, 1961;
- v. Shops and Establishments Act, 1948;
- vi. Prevention Of Money Laundering Act, 2002;
- vii. NISM-Series-III-A: Securities Intermediaries Compliance (Non-Fund) Certification Examination
- viii. NSE following circular issued and applicable on company;
 - a. NSE/INSP/22924 dated 12th March, 2013;
 - b. NSE/ INVG/ 26173 dated 13th March, 2014;
 - c. NSE/INSP/25392 dated 26th December, 2013;
 - d. NSE/ INVG/ 26056 dated 05th March, 2014.

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with BSE & NSE and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015).

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

- I. *Charges appearing on an MCA site have already been satisfied by the company but due to inadvertence company has not filed forms for satisfaction.*

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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through, while the dissenting members' views, if any, 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.

Place: Mumbai
Date: 30/08/2016

For **VKM & Associates**
Practicing Company Secretary

(Vijay Kumar Mishra)
Partner
FCS No. F-5023
C P No.: 4279

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

ANNEXURE A”

To,
The Member,
Monarch Network Capital Limited
Office no.901/902, 9th Floor,
Atlanta Centre, Opp.Udyog Bhavan,
Sonawala Road, Goregaon (East),
Mumbai 400063

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

Management's Responsibility

1. It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

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 the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 30/08/2016

For **VKM & Associates**
Practicing Company Secretary

(Vijay Kumar Mishra)
Partner
FCS No. F-5023
C P No.: 4279

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 (upto 12 th February, 2016)	NA		
2	Mr. Vaibhav Shah	19.30:1		
3	Ms. Manju Bafna	1.20:1		
4	Mr. Chetan Bohra	NA		
5	Mr. Mayukh Pandya	NA		
6	Mr. Shailesh Desai	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	2.35		
2	Ms. Manju Bafna	0		
3	Mr. Ashok Bafna	0		
4	Ms. Sophia Jain	10.50		
(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	639		
(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 31.03.2016 as compared to the performance of the Company for the year ended 31.03.2015 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, 2016	As on 31 st March, 2015	Variation %
1	Market Capitalization	28.70	29	-1.03
2	Price earning ratio	179.37	30.08	496.31
3	Market quotation of shares	The Company's stock price as at 31 st March, 2016 has increased by 187% to 28.70/- over the last public offer i.e. IPO in 1995 at a price of Rs. 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: 03rd September, 2016

Vaibhav Shah
Chairman
cum Managing Director

MayukhPandya
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, 2016. 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, Merchant Banking and Research and Analyst 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, 2016, 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 Networth Investment Advisors Pvt. Ltd.

(Formerly known as Monarch Insurance Broking Private Limited)

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 and Listing Regulation 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 2016-17 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 environments 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, 2016 stood at 653.

DISCUSSION ON FINANCIAL/OPERATIONAL PERFORMANCE:

Particulars	2015-16	2014-15	2013-14
Total Revenue	455,364,157	534,032,374	366,372,904
EBIDTA	736,81,904	132,781,766	84,524,995
PBT	(49,38,236)	44,380,876	(20,485,402)
PAT	47,61,456	28,531,202	(6,649,135)
EPS	0.16	0.94	(0.59)

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

REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's philosophy of Corporate Governance emphasizes on maintaining the highest level of accountability, 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. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Bombay Stock Exchange, where the shares of the Company are listed.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

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.

- i. The Board of Directors of the Company has optimum combination of Executive and Non-Executive/Independent Directors. As on 31st March, 2016, the Board of Directors comprised of 5 (Five) directors out of which 3 (Three) were Non-Executive Directors and 2 (Two) Executive Directors. Moreover, 3 (Three) are Non-Executive/Independent Directors. The Chairman of the Board is Executive Director.
- ii. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.
- iii. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2016 have been made by the Directors. None of the Directors are related to each other.
- iv. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2016 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanships / Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.
- vi. During the financial year 2015-16, 14 (Fourteen) meetings of Board of Directors were held on viz., 29th May, 2015, 18th July, 2015, 14th August, 2015, 28th September, 2015, 09th October, 2015, 15th October, 2015, 02nd November, 2015, 09th November, 2015, 01st December, 2015, 18th December, 2015, 07th January, 2016, 21st January, 2016, 12th February, 2016 and 29th March, 2016.

The details of composition of the Board of Directors, their attendance at each Board meeting held during the financial year 2015-2016 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, 2016 (Excluding position in the Company)		
					No. of Director ships	Committee	
						Chairman ship(s)	Member ship(s)
Mr. Suresh. P. Jain (upto 12 th February, 2016)	C/P /NED	13	10	No	0	-	-
Mr. Vaibhav J. Shah* (Chairman- w.e.f. 12 th February, 2016)	C/P/MD	14	14	Yes	0	-	-
Mrs. Manju S. Bafna	P/ED	14	14	Yes	0	-	-
Mr. Mayukh Pandya	I/NED	14	14	Yes	2	-	2
Mr. Shailesh Desai	I/NED	14	14	No	1	-	-
Mr. Chetan Bohra	I/NED	14	14	No	0	-	-

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. Chairmanships / Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.
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.
4. 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.
 - vii. During the year, a separate meeting of the Independent Directors of the Company was held on 12th February, 2016 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. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
 - viii. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
 - ix. 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 familiarization programme of the Independent Directors are available on the Company's website at www.mnclgroup.com

- x. During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- xi. Details of equity shares of the Company held by the Directors as on March 31, 2016 are given below:

Name	Category	Number of equity shares
Mr. Suresh. P. Jain (upto 12 th February, 2016)	Non-Independent, Non-Executive	32,92,137
Mr. Vaibhav J. Shah	Non-Independent, Executive	27,12,000
Mrs. Manju S. Bafna	Non-Independent, Executive	15,07,500
Mr. Mayukh Pandya	Independent, Non-Executive	Nil
Mr. Shailesh Desai	Independent, Non-Executive	Nil
Mr. Chetan Bohra	Independent, Non-Executive	1,500

3. 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

I. AUDIT COMMITTEE:

- a) The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013.
- b) 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.
- c) 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.
 - Scrutiny of inter-corporate loans and investments
 - Approval or any subsequent modification of transactions of the Company with related parties
 - Valuation of undertakings or assets of the company, wherever it is necessary; Evaluation of internal financial controls and risk management systems
 - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed
 - The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company
 - The audit committee shall review the information required as per SEBI Listing Regulations.
- d) 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, 2016; the Audit Committee consists of 3(Three) Non-Executive/Independent Directors.
 - e) During the financial year 2015-2016, the members of Audit Committee met 5 (Five) times on 29th May, 2015, 18th July, 2015, 14th August, 2015, 09th November, 2015 and 12th February, 2016. The Composition and attendance of the members of the Audit Committee during the financial year 2015-2016 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya	Chairman	5	5
Mr. Suresh P. Jain (upto 12 th February, 2016)	Member	5	3
Mr. Shailesh Desai	Member	5	5
Mr. Chetan Bohra	Member	5	5

- f) The audit committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

- g) The previous Annual General Meeting (“AGM”) of the Company was held on September 30, 2015 and was attended by Mr. Mayukh Pandya, Chairman of the Audit Committee.

II. NOMINATION AND REMUNERATION COMMITTEE:

- a) The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013.

- b) Terms of reference:

The Committee is empowered to–

- Recommend to the Board the setup and composition of the Board and its committees, including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director.” The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
 - Recommend to the Board the appointment or reappointment of directors.
 - Devise a policy on Board diversity.
 - Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this Committee).
 - Carry out evaluation of every director’s performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include “Formulation of criteria for evaluation of Independent Directors and the Board”. Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
 - Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of the employees.
 - On an annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company
 - Oversee familiarization programmes for directors.
 - Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and executive team).
 - Provide guidelines for remuneration of directors on material subsidiaries.
 - Recommend to the Board on voting pattern for appointment and remuneration of directors on the Boards of its material subsidiary companies.
 - Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.
- c) During the financial year 2015-16, the members of Nomination and Remuneration Committee met 4 (Four) times on 29th May, 2015, 14th August, 2015, 09th November, 2015 and 12th February, 2016.
- d) The Composition and attendance of the members of the Nomination and Remuneration Committee during the financial year 2015-16 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya	Chairman	4	4
Mr. Suresh P. Jain (upto 12 th February, 2016)	Member	4	2
Mr. Shailesh Desai	Member	4	4
Mr. Chetan Bohra	Member	4	4

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

- e) Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

- f) **Nomination & Remuneration policy:**

The Company follows a comprehensive policy for selection, re-recommendation, 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:

- 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.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Executive Directors is broadly divided into fixed component.
- 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:

- The relationship of remuneration and performance benchmarks
- Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- Responsibility of the Executive Directors and the industry benchmarks and the current trends;
- 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:

- The relationship of remuneration and performance benchmark;
- The components of remuneration includes salaries, perquisites and retirement benefits;
- 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 2015-16 are as follows:

Name	Category	Salary	Perquisites or Allowances	Stock Options	Sitting Fees*	Total	No. of shares held
Mr. S. P. Jain (upto 12 th February, 2016)	Chairman & Director	-	-	-	-	-	3292137
Mr. Vaibhav J. Shah *(Chairman w.e.f 12 th February, 2016)	* Chairman cum Managing Director	29,78,400	-	-	-	29,78,400	2712000
Mrs. Manju S. Bafna	Executive Director	1,84,500	-	-	-	1,84,500	1507500
Mr. Mayukh Pandya	Independent Director	-	-	-	-	-	-
Mr. Shailesh Desai	Independent Director	-	-	-	-	-	-
Mr. Chetan Bohra	Independent Director	-	-	-	-	-	1500

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

III. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

a) The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and the provisions of Section 178 of the Companies Act, 2013.

b) 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 overviews the performance of the Registrar and Share Transfer Agents of the Company relating to investors services and recommend measures for improvements.

c) During the financial year 2015-2016, the members of Stakeholders' Relationship Committee met 4 (Four) times on 29th May, 2015, 14th August, 2015, 09th November, 2015 and 12th February, 2016.

d) The Composition and attendance of the members of the Stakeholders' Relationship Committee during the financial year 2015-2016 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya	Chairman	4	4
Mr. Suresh P. Jain (upto 12 th February, 2016)	Member	4	2
Mr. Shailesh Desai	Member	4	4
Mr. Chetan Bohra	Member	4	4

e) Name, designation and address of the Compliance Officer:

Ms. Sophia Jain

Company Secretary and Compliance Officer

Monarch Network Capital Limited

Office no.901/902, 9th Floor,

Atlanta Centre, Opp. Udyog Bhavan,

Sonawala Road, Goregaon (East),

Mumbai-400063

Telephone: 022-30641600 Fax No: 022-26850257

Email: reachus@mnclgroup.com

Website: www.mnclgroup.com

f) Details of Status of Investors' Complaints during the year 2015-16 are as follow:

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

IV. SUBSIDIARY COMPANIES

As on 31st March, 2016, the Company had following subsidiaries:

1. Network Commodities & Investments Limited
2. Network Wealth Solutions Limited
3. Ravisha Financial Services Private Limited
4. Network Insurance Broking Private Limited
5. Monarch Network Investment Advisors Pvt Ltd.

(Formerly known as 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.mnclgroup.com

V. 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
2014-15	22 nd	30 th September, 2015	12.30 p.m.	Jayleela Banquet, Opp. Railway Nagar, Sonawala Road, Goregaon (East), Mumbai – 400 063, Maharashtra
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

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

Date of AGM	Purpose of Resolution
30 th September, 2015	<ol style="list-style-type: none"> 1. Appointment of Mrs. Manju Bafna as Executive Director of the Company. 2. Appointment of Mr. Chetan Bohra as an Independent Director of the Company 3. Change of name of the Company
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 uptoRs.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 uptoRs.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

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.

VI. MEANS OF COMMUNICATIONS:

The quarterly, half-yearly and annual results of the Company are forwarded to BSE Limited where the shares of the Company are listed and published in "Free Press Journal"(English) and Navshakti (Marathi). The results are also displayed on the Company's website at www.mnclgroup.com.

- The Management Discussion and Analysis for the year ended 31st March, 2016 is part of Annual Report and annexed separately.
- The Company has not made any presentations/press release to Institutional Investors or to the Analysts during the year under review.

VII. GENERAL SHAREHOLDER'S INFORMATION:

a. Annual General Meeting

Date : 30th September, 2016
 Day : Friday
 Time : 12.00 p.m.
 Venue : Jayleela Banquet Opp. Railway Nagar, Sonawala Road, Goregaon East, Mumbai, Maharashtra 400063

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the AGM to be held on 30th September, 2016.

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 2016-17)

Subject Matter	Tentative Dates of the Board Meeting
First Quarter Results	On 12 th August, 2016.
Second Quarter Results	By 11 th November, 2016.
Third Quarter Results	By 15 th February, 2016.
Fourth Quarter/ Yearly Results	By 30 th May, 2017.(Audited Results)

d. Date of Book Closure:

Monday, 26th day of September, 2016 to Friday, 30th day of September, 2016 (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 Friday, 23rd September, 2016.

f. Listing on Stock Exchange:

The Equity Shares of the Company are listed on the BSE Limited. Listing Fees as applicable have been paid.

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 2015-16 as compared to BSE SENSEX points are as follows:

Month	Price on BSE(RS.)*		BSE Sensex (Points)*	
	High	Low	High	Low
April 2015	44.30	25.30	29,094.61	26,897.54
May 2015	37.95	27.10	28,071.16	26,423.99
June 2015	35.00	25.00	27,968.75	26,307.07
July 2015	34.00	18.75	28,578.33	27,416.39
August 2015	40.25	27.05	28,417.59	25,298.42
September 2015	38.40	28.60	26,471.82	24,833.54
October 2015	35.00	29.00	27,618.14	26,168.71
November 2015	34.50	26.00	26,824.30	25,451.42
December 2015	48.00	27.20	26,256.42	24,867.73
January 2016	51.80	32.30	26,197.27	23,839.76
February 2016	37.00	27.15	25,002.32	22,494.61
March 2016	32.80	28.00	25,479.62	23,133.18

*Source: www.bseindia.com

i. Registrars and Transfer Agents details:

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

j. 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.

k. Shareholding Pattern as on 31st March, 2016:

Categories	No of Shareholders	No. of Shares	% of shareholding
Promoters	14	20239287	66.77
Foreign Portfolio Investors	1	9155	0.03
Financial Institution/Banks	2	299145	0.99
FIs	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

I. Distribution Schedule as on 31st March, 2016:

Slab of Shares Holding		Number of Share Holders	%tototal numberof 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

m. Dematerialization of Equity Shares and Liquidity

As on 31st March, 2016, 99.12% of the equity shares of the Company are held in dematerialized form with NSDL and CDSL. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE903D01011

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

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

o. Commodity price risk or foreign exchange risk and hedging activities:

Please refer to Management Discussion and Analysis Report for the same.

p. 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, and please write to:

Ms. Sophia Jain,

Company Secretary and Compliance Officer

Monarch Network Capital Limited

Office no.901/902, 9th Floor,

Atlanta Centre, Opp. UdogBhawan,

Sonawala Road, Goregaon (East),

Mumbai-400063

Telephone: 022-30641600 Fax No: 022-26850257

Email: reachus@mnclgroup.com

Website: www.mnclgroup.com

VIII. OTHER 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, 2016 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.mnclgroup.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.

c. CEO/CFO Certification:

Certificate regarding CEO/CFO Certification in terms of the Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also annexed to this report.

d. Vigil Mechanism Policy/ Whistle Blower Mechanism:

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
 Monarch Network Capital Limited
 Office No. 901/902, 9th Floor, Atlanta Centre,
 Opp. Udyog Bhavan, Sonawala Road,
 Goregoan (East), Mumbai 400063
 E-mail: cs@mnclgroup.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.mnclgroup.com

The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents which is also available on the website of the Company at <https://www.mnclgroup.com/investor-relation/investor-relation-policy>.

e. Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

f. The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:

- The auditors’ report on statutory financial statements of the Company are unqualified.
- The Internal Auditor reports to the Audit Committee.

g. There are no shares lying in demat suspense account/ unclaimed suspense account

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

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 (“Act”). 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.mnclgroup.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.

The Certificate from Practising Company Secretary on Compliance of provisions related to Corporate Governance by the Company is also annexed to this report.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

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, 2016.

For **Monarch Networth Capital Limited**
(Formerly known as Networth Stock Broking Limited)

Place: Mumbai
Date: 03rd September, 2016

Vaibhav Shah
Chairman cum Managing Director

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of MONARCH NETWORTH CAPITAL LIMITED

We have examined the compliance of conditions of Corporate Governance by Monarch Networth Capital Limited, for the year ended on 31st March 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange for the period 01st April, 2015 to 30 November, 2015 and as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us 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 the Listing Agreement/Listing Regulations, as applicable.

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 **VKM & Associates**

Vijay Kumar Mishra
Practising Company Secretary
M. No. F-5023, C.P. No.4279

Place : Mumbai
Date: 03rd September, 2016

CEO / CFO CERTIFICATE IN TERMS OF THE REGULATION 17 (8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Board of Directors
Monarch Network Capital Limited
(Formerly known as Network Stock Broking Limited)

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2016 and that to the best of our knowledge and belief;
 - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - 1) Significant changes in internal control over financial reporting during the year.
 - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- 3) Instances of significant fraud of which we have become aware and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Monarch Network Capital Limited
(Formerly known as Network Stock Broking Limited)

Place: Mumbai
Date: 30th May, 2016

Vaibhav Shah
Chairman cum Managing Director

Ashok Bafna
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of

MONARCH NETWORTH CAPITAL LIMITED

(Formerly known as **NETWORTH STOCK BROKING LIMITED**)

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of M/s. **MONARCH NETWORTH CAPITAL LIMITED (Formerly known as NETWORTH STOCK BROKING LIMITED)** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow 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 Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give 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 management and Board of 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and 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 2016, its profit and cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we further 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 purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended dealt with by this Report are in agreement with the books of account;

- d) in our opinion, the aforesaid financial statements comply with the applicable 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 March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act ;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operative effectiveness of such controls, refer to our separate report in Annexure B; and
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - I. The Company has disclosed the impact of the pending litigations on its financial position in the financial statements- Please refer Note 33, 36 & 37 to the Financial Statements.
 - II. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - III. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For PAREKH SHAH & LODHA
Chartered Accountants
Firm Reg.: 107487W

Place: Mumbai
Date: 30th May 2016

Ashutosh Dwivedi
(Partner)
M. No. : 410227

ANNEXURE A TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors Report of even date]

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. In respect of its fixed assets
 - a) The Company has maintained the proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
 - c) As explained to us, the title deeds of all the immovable properties are held in the name of the company.
2. In respect of its inventories

Inventory represents securities held as stock-in-trade in course of acting as a merchant banker and market maker for the acquired equity shares and on account of error in execution of transaction. As explained to us, inventories have been verified and reconciled during the year by the management at reasonable intervals. As informed to us, no material discrepancies were noticed on verification of inventories by the management as compared to book records.
3. The company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013:
 - a) the terms and conditions of the grant of such interest free loans are not otherwise prejudicial to the company's interest;
 - b) According to the information and explanations given to us, the loans given by the company are repayable on demand. As informed, repayment of Principal amount and interest (if agreed) has been received during the year whenever demanded by the company.
 - c) There is no overdue amount for more than ninety days in respect of loans to the parties covered in the above register.
4. According to the information and explanations given to us and based on our examination of the records of the Company, in respect of loans, investments, guarantees and security given/ made by the company, during the year, the company has complied with the provisions of section 185 & 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits from the public covered under the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Further no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal on the company. Hence, Paragraph 3(v) of the Order is not applicable.
6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the products of the Company.
7. In respect of Statutory Dues:
 - a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities in India. According to the information and explanation given to us, there was no outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, except the followings:

Nature of Liability	Relevant Financial Year	Amount
Professional Tax - Madhya Pradesh	Till 2014-2015	18,430
Professional Tax - Tamil Nadu	Till 2014-2015	1,77,713
Professional Tax - Tamil Nadu	2015-2016	37,320
Professional Tax - Orissa	Till 2014-2015	10,621
Professional Tax - Orissa	2015-2016	875

- b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any disputes except stated below:

Sr No	Name of Statue	Name of Due	Amount (Rs.in Lakh)	Period to which the amount related	Forum where dispute 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	First Appellate Authority

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

Sr No	Name of Statue	Name of Due	Amount (Rs.in Lakh)	Period to which the amount related	Forum where dispute Pending
2	Service Tax	Service Tax	15.14	01.04.2002 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 CIT (Appeals); Original Demand Rs 75,69,110/- Rectification Applied: Rs 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 MNCL (Merged Entities) and During P.Y. Monarch Research and Brokerage Limited (MRBPL).

Sr No	Name of Statue	Name of Due	Amount (Rs. in Lakh)	Period to which the amount related	Forum where dispute 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 MNCL (Merged Entities), there are income tax dues for A.Y.2009-10, Rs. 1,37,444 (Appeal Against Order contingent liability) and for A.Y.2010-11 Rs. 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.

8. According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, banks or government. The company has also not issued debentures. Hence Paragraph 3 (viii) of the Order is not applicable.
9. According to the records of the company examined by us and as per the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and the term loans raised during the year were applied for the purpose for which those were raised.
10. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For PAREKH SHAH & LODHA
Chartered Accountants
Firm Reg.: 107487W

Place: Mumbai
Date: 30th May 2016

Ashutosh Dwivedi
(Partner)
M. No. : 410227

ANNEXURE B TO AUDITORS' REPORT

[Referred to in Clause (f) in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors Report of even date]

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

We have audited the internal financial controls over financial reporting of **MONARCH NETWORTH CAPITAL LIMITED (Formerly known as NETWORTH STOCK BROKING LIMITED)** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PAREKH SHAH & LODHA
Chartered Accountants
Firm Reg.: 107487W

Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place: Mumbai
Date: 30th May 2016

Balance Sheet as at March 31, 2016

(Figures in ₹)

Particulars	Note No.	As at March 31,2016	As at March 31,2015
A. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	303,116,000	303,116,000
(b) Reserves and Surplus	4	257,838,527	253,077,070
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long Term Borrowings	5	586,546	935,934
(b) Other Long term liabilities	6	30,658,414	25,426,467
(c) Long term provisions	7	12,229,581	10,143,725
(4) Current Liabilities			
(a) Short Term Borrowings	8	67,558,193	155,758,067
(b) Trade payables	9	541,740,893	608,750,610
(c) Other current liabilities	10	11,915,363	25,578,258
(d) Short-term provisions	11	25,462,447	31,880,335
Total		1,251,105,964	1,414,666,466
B. ASSETS			
(1) Non-current assets			
(a) Fixed assets:	12		
(i) Tangible assets		30,844,589	34,485,294
(ii) Intangible assets		8,780,580	13,840,354
(b) Non-current investments	13	151,922,145	121,922,145
(c) Deferred tax assets (net)	14	48,164,531	50,144,839
(d) Long term loans and advances	15	286,543,448	311,879,753
(2) Current assets			
(a) Inventories	16	123,658,326	71,567,877
(b) Trade receivables	17	334,369,900	510,503,803
(c) Cash and Bank balances	18	191,740,249	203,373,584
(d) Short-term loans and advances	19	75,082,196	96,948,817
Total		1,251,105,964	1,414,666,466

Significant Accounting policies

The accompanying Notes from 28 to 41 are an integral part of Financial Statements.

As per our report of even date attached.

 For **PAREKH SHAH & LODHA**
 Chartered Accountants
 (Firm Reg. No. 107487W)

For and on behalf of the Board

Vaibhav Shah
 (Chairman cum Managing Director)

Manju Bafna
 (Whole-Time Director)

Ashutosh Dwivedi
 (Partner)
 M.No. 410227

Ashok Bafna
 (Chief Financial Officer)

Sophia Jain
 (Company Secretary)

 Place : Mumbai
 Date :30th May-2016

 Place : Mumbai
 Date :30th May-2016

Statement of Profit and Loss Account for the year ended March 31, 2016

(Figures in ₹)

Particulars	Note No.	Year Ended on March 31,2016	Year Ended on March 31,2015
1. Revenue from operations	20	436,406,738	509,072,926
2. Other Income	21	18,957,418	24,959,449
3. Total Revenues (1+2)		455,364,157	534,032,376
4. Expenses:			
(a) Employee benefit expense	22	138,508,850	141,253,465
(b) Operating Expenses	23	150,127,955	175,924,568
(c) Administrative, Selling and Distribution Expenses	24	90,540,405	82,876,980
(d) Financial costs	25	59,827,542	55,530,426
(e) Depreciation and amortization expense	12	18,035,157	33,114,678
(f) Other expenses	26	2,505,043	1,195,595
Total Expenses		459,544,951	489,895,713
5. Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (3-4)		(4,180,795)	44,136,662
6. Exceptional and Extraordinary Items/ Prior Period Adjustments		(757,441)	244,214
7. Profit /(Loss) before tax (5+6)		(4,938,236)	44,380,877
8. Tax expense:			
(a) Current tax		-	11,680,000
(b) Deferred tax		1,980,308	(2,623,811)
(c) Short/Excess Provision of tax		(11,680,000)	6,793,485
Total Tax Expense		(9,699,692)	15,849,674
9. Profit /(Loss) for the year (7-8)		4,761,456	28,531,203
10. Earning per equity share: (Face Value ₹ 10)	27		
(1) Basic		0.16	0.94
(2) Diluted		0.16	0.94

Add: Significant Accounting policies

The accompanying Notes from 28 to 41 are an integral part of Financial Statements.

As per our report of even date attached.

For PAREKH SHAH & LODHA
Chartered Accountants
(Firm Reg. No. 107487W)

For and on behalf of the Board

Vaibhav Shah
(Chairman cum Managing Director)

Manju Bafna
(Whole-Time Director)

Ashutosh Dwivedi
(Partner)
M.No. 410227

Ashok Bafna
(Chief Financial Officer)

Sophia Jain
(Company Secretary)

Place : Mumbai
Date :30th May-2016

Place : Mumbai
Date :30th May-2016

Cash Flow Statement for the year ended March 31, 2016

(Figures in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	(4,938,236)	44,380,876
Adjustments for		
Depreciation	18,035,157	33,114,678
Gratuity Provision	(2,598,030)	(3,138,723)
Finance Expenses	59,827,542	55,530,426
Loss on assets sold/discarded	(667,561)	(130,423)
Dividend Received	(425,264)	(157,367)
Interest Received	(16,660,292)	(23,094,537)
Operating profit before working capital changes	52,573,316	106,504,930
Adjustments for		
Decrease (Increase) in Trade and other Receivables	171,156,402	(31,633,187)
Increase (Decrease) in Trade Payable and Provisions	(165,723,829)	54,575,815
Cash Generated from operations	58,005,889	129,447,558
Income Tax Provided For The Year	11,680,000	(11,680,000)
Prior Period Items	757,441	(244,214)
Net Cash From Operating Activities	70,443,330	117,523,344
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(9,399,991)	(12,568,111)
Sale of Fixed Assets	65,312	2,162,544
Purchase of Shares/ Mutual Funds	(30,000,000)	(14,500,000)
Interest Received	16,660,292	23,094,537
Dividend Received	425,264	157,367
Net Cash from Investing Activities	(22,249,123)	(1,653,663)
C. Cash flow From Financing Activities		
Finance Expenses	(59,827,542)	(55,530,426)
Net Cash used in Financing Activities	(59,827,542)	(55,530,426)
Net Increase in Cash & Cash Equivalents	(11,633,335)	60,339,254
Opening Balance of Cash & Cash Equivalents	203,373,584	143,034,330
Closing Balance of Cash & Cash Equivalents	191,740,249	203,373,584

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 28 to 41 are an integral part of Financial Statements.

As per our report of even date attached.

 For **PAREKH SHAH & LODHA**
 Chartered Accountants
 (Firm Reg. No. 107487W)

For and on behalf of the Board

Vaibhav Shah
 (Chairman cum Managing Director)

Manju Bafna
 (Whole-Time Director)

Ashutosh Dwivedi
 (Partner)
 M.No. 410227

Ashok Bafna
 (Chief Financial Officer)

 Sophia Jain
 (Company Secretary)

 Place : Mumbai
 Date :30th May-2016

 Place : Mumbai
 Date :30th May-2016

SCHEDULE AS PER OF NOTES FORMING PARTS OF ACCOUNTS FOR THE YEAR ENED 31ST MARCH 2016.

1. CORPORATE INFORMATION

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

Pursuant to the scheme of Amalgamation approved by the Hon'ble High Court of Gujarat on May 03, 2013 for Monarch Research and Brokerage Private Limited ('MRBPL') and subsequently by the Hon'ble High Court Mumbai on August 07, 2014, for Monarch Project and Finmarkets Limited ('MPFL'), MRBPL and MPFL have been amalgamated with the company from the appointed date i.e. 1st April, 2010. The scheme of amalgamation became effective as on October 15, 2014. The Amalgamation has enabled appropriate consolidation of the activities of MNCL, 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 (MNCL) 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 (MNCL) in the same form in which they appeared in the financial statements of the transferor companies (MRBPL and MPFL).

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

b) Basis of Accounting and preparation of financial statements

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

c) Use of Estimates

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

d) Revenue Recognition

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

e) Fixed Assets

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

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

f) Depreciation and Amortisation

Depreciation on Fixed Assets has been provided on pro-rata basis on straight line method at the rates prescribed by Schedule 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 Rs.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 (MNCL) 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).

i) Employee Benefits

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 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.

Note 3 Share Capital

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

(Figures in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
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 Redeemable Preference shares of Rs.10 each (P.Y. 60,00,000)	60,000,000	60,000,000
3,05,00,000 Equity Shares of ₹ 10/- Each (P.Y. 3,05,00,000)	305,000,000	305,000,000
	415,000,000	415,000,000
Issued Subscribed & Paid up Share Capital		
303,11,600 Equity Shares of ₹ 10/- Each (P.Y. 303,11,600)	303,116,000	303,116,000
Total	303,116,000	303,116,000

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	30,311,600	303,116,000	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	30,311,600	303,116,000

c. Terms / Rights attached to equity shares

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

During the year ended March 31, 2016 the company had not declared any dividend (Previous Year Nil).

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

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	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	10.86
Mr. Suresh Bafna	2512500	8.29	2512500	8.29
Mr. Vaibhav Shah	2712000	8.95	2712000	8.95
Mr. Bankim Shah	2206000	7.28	2206000	7.28
Ms. Bela Shah	2406000	7.94	2406000	7.94
M/s Metaphore Reality Investments Pvt Ltd	2412000	7.96	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 Reserves & Surplus

	Particulars	As at March 31,2016	As at March 31,2015
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	296,652,896
	- Closing Balance	296,652,896	296,652,896
c.	Surplus/Deficit in the statement of Profit & Loss		
	- Opening Balance	(91,930,875)	(102,263,088)
	- Add: General Reserve Arising on Account of Depreciation		(18,198,990)
	- (+/-) : Net Profit /loss current year	4,761,456	28,531,203
	Closing Balance	(87,169,419)	(91,930,875)
d.	Amalgamation Reserve Account		
	- Opening Balance	33,191,490	33,191,490
	- Closing Balance	33,191,490	33,191,490
	Total	257,838,527	253,077,071

Note 5 Long-Term Borrowings

Particulars	As at March 31, 2016	As at March 31, 2015
Loan from Kotak Mahindra Prime Limited (secured against hypothecation of Vehicle)	586,546	935,934
Total	586,546	935,934

Note: Aforesaid loan is classified as Long Term Borrowing to the extent to which it is not in current nature i.e. which are due to be settled after 12 months and current maturities of the long term borrowings is classified as other current liabilities.

Note 6 Long-Term Liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
Security Deposit from Business Associates	24,812,914	25,426,467
Client Deposit	5,845,500	-
Total	30,658,414	25,426,467

Note 7 Long-Term Provisions

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Gratuity	12,229,581	10,143,725
Total	12,229,581	10,143,725

Note 8 Short Term Borrowings

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Overdraft from HDFC Bank (Secured against hypothecation of Office premises & Securities, and Personal guarantee of Key Management)	64,558,193	152,758,067
(b) Loans from shareholders - Other than promoter group	3,000,000	3,000,000
Total	67,558,193	155,758,067

Note 9 Trade Payables

Particulars	As at March 31, 2016	As at March 31, 2015
Sundry Creditors - Clients	375,808,365	384,326,322
Sundry Creditors - Others	6,978,412	12,528,309
Banks & Financial Institutions	158,954,116	211,895,979
Total	541,740,893	608,750,610

Note : 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 10 Short Term Provisions

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Statutory Remittances	6,240,130	5,114,001
(b) Other Current Liabilities	5,675,233	20,464,257
Total	11,915,363	25,578,258

Note 11 Short Term Provisions

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee benefits		
Salary & Reimbursements	12,910,540	10,194,293
(b) Others		
Provision for Income Tax	7,600,887	17,869,113
Expenses payable outstanding	4,951,020	3,816,929
Total	25,462,447	31,880,335

Note - 12 Fixed Assets

(Figures in ₹)

Particulars	Gross Block			Accumulated Depreciation & Amortization				Net Block	
	01/04/2015	Additions	Deletions/ Adjustments	31/03/2016	01/04/2015	Additions	Deletions	31/03/2016	31/03/2015
1 Tangible asset									
a Improvement to Lease Assets	13,645,239	-	-	13,645,239	8,231,190	1,618,518	-	9,849,708	3,795,531
b Office Premises	-	-	-	-	-	-	-	-	-
c Air Conditioners	15,323,767	602,700	117,831	15,808,636	14,854,777	217,892	111,939	14,960,730	847,906
d Computer	100,470,709	6,681,239	620,835	106,531,113	89,633,833	3,399,507	603,545	92,429,795	14,101,318
e Furniture & Fixtures	34,133,478	552,834	101,941	34,584,371	23,311,429	4,404,363	88,054	27,627,738	6,956,633
f Vehicles	15,326,173	-	-	15,326,173	10,997,024	1,713,064	-	12,710,088	2,616,085
g Office Equipment	11,567,447	988,087	135,173	12,420,361	8,953,267	1,046,908	106,930	9,893,245	2,527,116
Total - 1	190,466,813	8,824,860	975,780	198,315,893	155,981,520	12,400,252	910,468	167,471,304	30,844,589
2 Intangible Assets									
a Computer Software	59,714,893	3,009,612	2,434,481	60,290,024	45,874,538	5,634,905	-	51,509,443	8,780,580
Total - 2	59,714,893	3,009,612	2,434,481	60,290,024	45,874,538	5,634,905	-	51,509,443	13,840,355
Grand Total (1 + 2)	250,181,706	11,834,472	3,410,261	258,605,917	201,856,058	18,035,157	910,468	218,980,747	48,325,648
Previous Year	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

Note 13 Non-current Investments

Particulars	Face Value	As at 31 March 2016		As at 31 March 2015	
		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	Rs. 1	11,401	877	11,401	877
(e) In Equity Shares of Subsidiaries- Fully Paid up					
Network Commodities & Investment Ltd.	s.10	1,400,100	20,001,000	1,400,100	20,001,000
Network Wealth Solutions Ltd	s.10	1,000,000	10,000,000	1,000,000	10,000,000
Ravisha Financial Services Pvt. Ltd	s.10	7,999,900	92,922,205	4,999,900	62,922,205
Network Insurance Broking Pvt Ltd	Rs.10	10,000	100,000	10,000	100,000
Monarch Insurance Broking Private Ltd	Rs.10	499,000	4,999,000	499,000	4,999,000
(f) In Equity Shares of Associate Concern- Fully Paid up					
Network Financial Services Ltd.	Rs.10	949,400	9,494,000	949,400	9,494,000
Network SoftTech Ltd.	Rs.10	1,500,000	15,000,000	1,500,000	15,000,000
Quoted					
(a) Investments in Equity Shares - Fully Paid up					
Sadbhav Engineering Ltd.	Rs. 1	1,310	24,235	1,310	24,235
Indiabulls Limited	Rs. 2	229,000	7,041,750	229,000	7,041,750
NTPC Limited	Rs.10	2,000	414,500	2,000	414,500
Power Grid Limited	Rs.10	13,700	1,467,955	13,700	1,467,955
Total			61,922,145		131,922,145
Less : Provision for diminution in the value of Investments			10,000,000		10,000,000
Total			- 151,922,145		- 121,922,145

Note : During the year the Company has invested 30,00,000 shares @ Rs 10 per share in Ravisha Financial Services Pvt Ltd.

Note 14 Deferred Tax Assets

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred Tax Assets		
Difference of Net Block of Assets	9,527,222	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	2,060,000	2,040,000
Provision for Gratuity	3,778,940	3,134,411
Unabsorbed Depreciation	12,006,514	12,279,394
Deferred Tax Assets (Net)	48,164,531	50,144,839

MONARCH NETWORK CAPITAL LIMITED

Note 15 Long-term Loans and advances

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured considered good unless stated otherwise :		
a. Security Deposits		
Deposit with Stock Exchange & Financial Institutions	109,577,298	140,948,971
b. Balance with Revenue Authorities		
Advance Income Tax & Service Tax	68,554,165	62,542,451
Advance Fringe Benefit Tax	2,058,456	2,058,456
c. Other Deposits		
Deposits for Arbitration Order	13,057,906	12,474,074
Deposits for PMS	1,100,000	1,100,000
Deposits for Office Premises	91,219,422	90,103,760
Deposits for Telephone, VSAT, Electricity etc.	976,201	2,652,041
Total	286,543,448	311,879,753

Note 16 Inventories

Particulars	As at March 31, 2016	As at March 31, 2015
Stock in Trade*	123,597,744	71,507,295
Franking Balance on Hand	50,420	50,420
Stock of Stamp	10,162	10,162
Total	123,658,326	71,567,877

* 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

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
- considered good	98,372,470	105,613,044
- considered doubtful	67,287,557	67,287,557
Sub-Total	165,660,027	172,900,601
Others		
- considered good	235,997,430	404,890,759
Provision for doubtful receivables	(67,287,557)	(67,287,557)
Total	334,369,900	510,503,803

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

Note 18 Cash and Bank balances

Particulars	As at March 31, 2016	As at March 31, 2015
a. Cash on hand	1,618,179	1,380,111
b. Balances with Banks:		
In Current Account	83,966,637	107,594,925
Balances held as margin money deposits against guarantees*	78,750,000	43,500,000
Fixed Deposits held as Security Deposit	27,405,433	50,898,548
	190,122,070	201,993,473
Total	191,740,249	203,373,584

Note 19 Short-term loans and advances

Particulars	As at March 31, 2016	As at March 31, 2015
Advances to Staff	2,500,959	1,324,377
Advances to Suppliers	1,709,635	2,039,041
Prepaid Expenses	10,001,246	5,306,164
Advances to Subsidiary	709,749	1,660,418
Receivables against sale of property	7,548,628	7,616,818
Loan - others Advances	52,611,979	79,001,999
Total	75,082,196	96,948,817

Note 20 Revenue from Operations

Particulars	As at March 31, 2016	As at March 31, 2015
Income From Operation:		
Brokerage & Related income	432,203,722	471,083,740
IPO Brokerage Commission	242,404	339,449
Merchant Banking income	50,000	1,150,000
Income From Trading In Securities	(2,711,048)	24,597,199
Other Income	6,621,661	11,902,538
Total	436,406,738	509,072,926

Note 21 Other Income

Particulars	As at March 31, 2016	As at March 31, 2015
Dividend Income	425,264	157,367
Interest Received On Fixed Deposits	16,660,292	23,094,537
DP Colateral Charges	-	178,261
Odin & Diet User Charges	603,725	636,397
Penalty Charges Recovered	668,301	757,582
Bad Debts Recovered	-	1,512
Sundry Balance W/off (Net)	599,836	126,634
Discount	-	7,158
Total	18,957,418	24,959,449

Note 22 Employee Benefit expense

Particulars	Year Ended on March 31,2016	Year Ended on March 31,2015
Salaries & Wages	12,69,39,667	12,25,57,500
Contribution to Provident & other funds*	83,20,595	79,39,402
Performance Incentive	42,45,224	59,23,821
Staff Welfare (Including Refreshment)	35,11,317	52,36,374
Directors' Remuneration	31,54,900	58,32,316
Recovery of Expenses **	(76,62,853)	(62,35,948)
Total	13,85,08,850	14,12,53,465

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

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount rate	7.5%	7.8%
Rate of return (expected) on plan assets	7.5%	7.0%
Rate of increase in compensation previous year	5.1%	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	1,16,77,890	55,76,466
Transfer From MPFL & MRBPL	-	31,27,589
Interest Cost	7,56,756	4,17,085
Current Service Cost	16,50,825	15,59,390
Past Service Cost		
Benefit paid	(9,34,947)	(5,50,420)
Actuarial (gain) / Loss on obligations	(1,03,976)	15,47,780
Liability at the end of the year	1,30,46,548	1,16,77,890
Changes in fair value of plan assets		
Fair value of plan Assets at the beginning of the year	15,34,166	16,99,053
Fair value of plan Assets at the end of the year	8,16,967	15,34,166
Current Service cost	16,50,825	15,59,390
Past Service Cost		-
Interest Cost	7,57,917	4,19,156
Expected return on plan assets	(1,07,392)	(1,04,324)
Net Actuarial (Gain) or Loss	(2,15,493)	15,14,501
Opening net liability	1,01,43,725	38,77,413
Adjustment to opening balance	-	31,27,589
Expense as above	20,85,857	33,88,723
Contribution paid	-	(2,50,000)
Closing net Liability	1,22,29,582	1,01,43,725

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

Note 23 Operating Expenses

Particulars	As at March 31, 2016	As at March 31, 2015
Demat Charges	5,970,116	6,288,432
Sub Brokerage & Commission Expenses	123,658,460	149,944,099
Stamping Charges	747,458	356,146
Penalty Account	219,800	-
Exchange Expenses	755,438	417,997
Connectivity Charges	8,923,059	8,784,639
Insurance Charges	493,248	405,702
Membership Fees & Subscription	2,502,901	1,644,707
Software Charges	6,857,475	8,082,847
Total	150,127,955	175,924,568

Note 24 Administrative Selling and Distribution Expenses

Particulars	As at March 31, 2016	As at March 31, 2015
Administration expenses		
Legal & Professional Charges	19,992,729	16,921,625
Telephone/Communication Charges	4,604,182	6,175,821
Electricity Charges	9,362,937	9,938,589
Rent Rates & Taxes	29,473,176	30,402,835
Municipal Taxes	236,284	786,486
Repairs & Maintenance	8,396,833	5,316,655
Manpower supply charges	1,176,560	505,716
Insurance Charges	50,418	-
Postage & Courier Charges	4,670,890	4,626,376
Conveyance & Travelling	5,523,627	5,418,640
Printing Stationery & Xerox Charges	3,559,832	3,412,496
Provident Fund Administrative Charges	346,360	300,689
Profession Tax	41,901	34,080
Share Registrar's Charges	-	36,000
Office expenses	2,051,447	2,133,498
Staff Recruitment Expenses	171,675	181,680
Auditors' Remuneration	550,000	575,000
Recovery of Expenses **	(6,474,051)	(6,453,860)
Selling & Distribution Expenses		
Advertisement	189,572	1,068,999
Business Promotion Expenses	6,616,034	1,495,654
Total	90,540,405	82,876,980

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

Note 25 Financial Costs

Particulars	As at March 31, 2016	As at March 31, 2015
Interest On Bank OD & Fin Inst	57,352,285	52,571,242
Interest On Car Loan	81,108	121,510
Bank Guarantee Charges	1,842,799	1,502,549
Bank & Fin Institution charges	263,921	306,942
Interest on Late Payment of TDS	537	10,116
Other Interest	286,891	1,018,068
Total	59,827,542	55,530,426

Note 26 Other Expenses

Particulars	As at March 31, 2016	As at March 31, 2015
Bad debts/Sundry Balance written off	1,648,469	802,741
Loss on Assets sold / discarded	(667,561)	(130,423)
Other Expenses-SBC	176,199	235
Charity & Donations	1,347,936	523,042
Total	2,505,043	1,195,595

Note 27 Earning Per Share

Particulars		As at March 31, 2016	As at March 31, 2015
Basic EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	4,761,456	28,531,202
Weighted Average Number of Shares Subscribed (Basic)	B	30,311,600	30,311,600
Basic EPS	A/B	0.16	0.94
Diluted EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	4,761,456	28,531,202
Weighted Average Number of Shares Subscribed (Basic)		30,311,600	30,311,600
Add : Potential Equity Shares on account of conversion of Employee Stock Options		-	-
Weighted Average Number of Shares Outstanding	B	30,311,600	30,311,600
Diluted EPS	A/B	0.16	0.94

Note 28 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

(Figures in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Foreign Currency Outflow	Nil	Nil
Foreign Currency Inflow	10,841	Nil

• Directors Remuneration

(Figures in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Director Remuneration	3,154,900	5,832,316

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

(Figures in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
For Statutory Audit	425,000	425,000
For Tax Audit	125,000	125,000
	550,000	550,000

Note 29 Scheme of Amalgamation

The scheme of Amalgamation between Monarch Research and Brokerage Private Limited ('MRBPL') and Monarch Network Capital Limited (erstwhile 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 Monarch Network Capital Limited (erstwhile 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 Monarch Network Capital Limited (erstwhile 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 respective financial year.

As per the Scheme of Amalgamation the Company was required to issue 1,90,80,000 equity shares of face value of Rs 10/- per share aggregating Rs 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 Rs 19,08,00,000/- to the shareholders of the erstwhile MRBPL and MPFL on October 27, 2014.

Note 30 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
Monarch Network Capital Limited (Formerly known as Network Stock Broking Limited) (MNCL)	Stock Broking, Depository Participant Services 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 Rs. 10/- each of MNCL for every 100 (One Hundred) Equity Share of Rs.10/- each held in MPFL.
- MRBPL - 100 (One Hundred) Equity Shares of Rs. 10/- each of MNCL for every 100 (One Hundred) Equity Share of Rs.10/- each held in MRBPL.

Note : 31 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:

1. 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.
2. The amount lying to the balance of "Profit and Loss Account" in the books of account of the Transferor Companies has been adjusted by the Transferee Company to its Profit and Loss Account.
3. The Excess amount of Rs 3,31,91,490/- resulting on account of amalgamation has been transferred to "Amalgamation Reserve Account". The said account has not been considered as a free reserve as provided u/s 2(29A) of the Companies Act, 1956 as directed by the Honourable High Court, Mumbai.
4. As per the Scheme of Amalgamation the Company was required to issue 1,90,80,000 equity shares of face value of Rs 10/- per share aggregating Rs 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 Rs 19,08,00,000/- to the shareholders of the erstwhile MRBPL and MPFL on October 27, 2014.
5. The difference between the book value of net assets taken over and the value of shares issued after accounting for the cancellation if any have been adjusted to the Securities Premium Account.
6. The application and reduction of the Share Premium Account has been effected as an integral part of the Scheme without having to follow the process under the provisions of Section 78 and Section 100, 102 and 103 of the Act. Such application/reduction of the Share Premium account does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The order of the Court sanctioning the Scheme under Section 394 of the Act is deemed to be an order under Section 102 of the Act confirming the reduction and the compliance by the Transferee Company of the provisions of Section 391-394 of the Act shall be deemed to be the sufficient compliance of the provisions of Section 100 to 103 of the Companies Act, 1956, rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions, if any, relating to the reduction of share capital.

Note 32 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 33 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:

- a. 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.
- b. The company has given guarantee of ₹ 20 crores for loan taken by its Subsidiary Company Ravisha Financial Services Private Limited from financial institutions.
- c. The company has given guarantee of ₹ 4 crores for loan taken by its Subsidiary Company Network Commodities & Investments Limited from Bank.

c. 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 liability 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.

MNCL (Merged Entities)

(Figures in Lakh)

Particulars	As at Mar 31, 2016
Service Tax matters pending with various authorities	57.96
Income Tax matters under appeal	30.48
Inter Corporate Guarantee	203.32
Total	291.76

e. The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2016.

Note 34 Related Party Disclosure of NSBL

(a) List of Related Parties and Relationship

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Networth Commodities & Investments Ltd.	Subsidiary Company
Monarch Insurance Broking Private Limited	Subsidiary Company
Networth Wealth Solutions Ltd.	100% Subsidiary Company
Ravisha Financial Services Private Ltd.	100% Subsidiary Company
Networth Insurance Broking Private Ltd.	100% Subsidiary Company
Networth Softtech Ltd	Associate Concern
Networth Financial Services Ltd.	Associate Concern
Key Management Personnel	
Mr. Vaibhav Shah	Managing Director cum Chairman (Chairman w.e.f. 12th February, 2016)
Mrs. Manju Bafna	Executive Director
Others	
Mr. Suresh Pukhraj Jain	Chairman (upto 12th February, 2016) & Dominant Promoter Group
Mrs. Kanta Jain	Dominant Promoter Group
S.P. Jain – HUF Sun Capital Advisory Services Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Mrs. Kinnari Shah	Dominant Promoter Group
Mr. Bankim Shah	Dominant Promoter Group
Mr. Himanshu Shah	Dominant Promoter Group
Mr. Suresh Bafna	Dominant Promoter Group
Premjayanti Properties- Partnership Firm (Mr. Vaibhav Shah & Mr. Himanshu Shah- being Partners)	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Premjayanti Enterprises Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Monarch Comtrade Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Monarch Infraparks Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Sur-Man Investment Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Simandhar Securities Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Samarpan Properties Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence

MONARCH NETWORK CAPITAL LIMITED

(b) Transaction with the Related Parties

(Figures in ₹)

Particulars		Subsidiaries	Associate Company	Key Management Personnel	Others	Total
Revenue Received	CY	14,136,904	-	-	-	14,136,904
	PY	18,601,797	-	-	-	18,601,797
Rendering of Services	CY	-	-	12,940,212	16,800,000	29,740,212
	PY	6,000,000		7,210,742	11,400,000	24,610,742
Sale of Assets	CY			-	-	-
	PY			-	-	-
Loan Given	CY			-	-	-
	PY			-	-	-
Outstanding Balance included in current liabilities	CY	-	-	-	-	-
	PY	-	31,125	-	-	31,125
Outstanding Balance included in current assets	CY	709,749	-	-	-	709,749
	PY	2,531,363		-	1,354,679	3,886,042

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

Note 35 Disclosure as per Clause 32 of the listing Agreement with the Stock Exchanges

Particulars	Relationship		Amount outstanding as at March 31, 2016	Maximum balance outstanding during the year
		CY	-	18,365,960
Networth Commodities & investment Ltd.	Subsidiary	PY	-	16,155,888
		CY	-	84,000,000
Networth Wealth Solutions Ltd	Subsidiary	PY	-	9,900,000
		CY	-	38,818,281
Ravisha Financial Services Pvt. Ltd	Subsidiary	PY	951,268	36,500,072
		CY	264,082	-
Networth Insurance Broking Pvt Ltd	Subsidiary	PY	-	-
		CY	445,667	-
Monarch Insurance Broking Pvt Ltd	Subsidiary	PY	-	-

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

Note 36 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 37 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 38 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 39 There are no Capital commitments which is outstanding as on Balance Sheet date (previous year Nil).

Note 40 **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 41 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 PAREKH SHAH & LODHA
Chartered Accountants
(Firm Reg. No. 107487W)

Vaibhav Shah
(Chairman cum Managing Director)

Manju Bafna
(Whole-Time Director)

Ashutosh Dwivedi
(Partner)
M.No. 410227

Ashok Bafna
(Chief Financial Officer)

Sophia Jain
(Company Secretary)

Place : Mumbai
Date : 30th May-2016

Place : Mumbai
Date : 30th May-2016

INDEPENDENT AUDITOR'S REPORT

To the Members of

MONARCH NETWORK CAPITAL LIMITED
(Formerly known as **NETWORTH STOCK BROKING LIMITED**)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **M/s. MONARCH NETWORK CAPITAL LIMITED (Formerly known as NETWORTH STOCK BROKING LIMITED)** ("the Holding Company"), its subsidiary companies (the Holding Company and its subsidiaries constitute the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, 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 Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs. 4,022.08 lacs as at March 31, 2016, total revenues of Rs. 758.69 lacs and net cash flows amounting to Rs. 296.45 lacs for the year ended on that date, as considered in the consolidated financial statements. The Consolidated statements also includes the Company's share of Net Profit of Rs 2,36,984/- for the year ended 31st March 2016 as considered in the consolidated financial statements, in respect of two associate companies whose financial statements have not been audited by us. These financial statements 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 our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, 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 matter with respect to our reliance on the work done and the reports of the other auditors.

Report on other Legal and Regulatory Requirement

1. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group excluding companies incorporated outside India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
 - g) With respect to the other matters to be included in the Auditor's Report on Consolidated Financial Statements in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the 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. Refer Note 33, 36 & 37 to the consolidated financial statements;
 - II. The Group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - III. There has not been an occasion in case of the Group during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For PAREKH SHAH & LODHA
Chartered Accountants
Firm Reg.: 107487W

Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place: Mumbai
Date: 30th May 2016

ANNEXURE A TO AUDITORS' REPORT

[Referred to in Clause (f) in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors Report of even date on the Consolidated Financial Statements]

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

We have audited the internal financial controls over financial reporting of **MONARCH NETWORTH CAPITAL LIMITED (Formerly known as NETWORTH STOCK BROKING LIMITED)** ("the Company") as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, which is a Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of

internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to five subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter

For PAREKH SHAH & LODHA

Chartered Accountants

Firm Reg.: 107487W

Place: Mumbai

Date: 30th May 2016

Ashutosh Dwivedi

(Partner)

M. No. : 410227

Consolidated Balance Sheet as at 31st March, 2016

(Figures in ₹)

Particulars	Note No.	As at March 31,2016	As at March 31,2015
A. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	303,116,000	303,116,000
(b) Reserves and Surplus	4	115,923,989	110,944,534
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long Term Borrowings	5	586,546	935,934
(b) Other Long term liabilities	6	31,866,234	26,137,791
(c) Long term provisions	7	14,963,912	12,878,056
(d) Minority Interest		8,474	6,821
(4) Current Liabilities			
(a) Short Term Borrowings	8	87,112,303	259,312,177
(b) Trade payables	9	937,264,079	760,606,599
(c) Other current liabilities	10	14,037,023	25,858,106
(d) Short-term provisions	11	29,866,326	34,847,072
Total		1,534,744,886	1,534,643,090
B. ASSETS			
(1) Non-current assets			
(a) Fixed assets:	12		
(i) Tangible assets		33,490,835	54,927,591
(ii) Intangible assets		8,780,580	13,840,354
(b) Non-current investments	13	34,110,746	33,873,762
(c) Deferred tax assets (net)		51,402,363	53,433,019
(d) Long term loans and advances	14	294,064,935	345,213,075
(2) Current assets			
(a) Inventories	15	123,658,326	71,567,877
(b) Trade receivables	16	596,033,882	610,433,767
(c) Cash and Bank balances	17	235,818,575	217,807,377
(d) Short-term loans and advances	18	157,158,065	133,316,689
	19	226,579	229,579
Total		1,534,744,886	1,534,643,090

Significant Accounting policies

The accompanying Notes from 28 to 41 are an integral part of Financial Statements.

As per our report of even date attached.

 For **PAREKH SHAH & LODHA**
 Chartered Accountants
 (Firm Reg. No. 107487W)

For and on behalf of the Board

Vaibhav Shah
 (Chairman cum Managing Director)

Manju Bafna
 (Whole-Time Director)

Ashutosh Dwivedi
 (Partner)
 M.No. 410227

Ashok Bafna
 (Chief Financial Officer)

Sophia Jain
 (Company Secretary)

 Place : Mumbai
 Date :30th May-2016

 Place : Mumbai
 Date :30th May-2016

Consolidated Statement of Profit and Loss for the year ended 31 March, 2016

(Figures in ₹)

Particulars	Note No.	Year Ended on March 31,2016	Year Ended on March 31,2015
1. Revenue from operations	20	506,795,796	568,684,137
2. Other Income	21	24,397,595	29,340,882
3. Total Revenues (1+2)		531,193,391	598,025,018
4. Expenses:			
(a) Employee benefit expense	22	152,179,138	151,784,136
(b) Operating Expenses	23	177,454,618	200,461,656
(c) Administrative, Selling and Distribution Expenses	24	101,791,697	84,483,252
(d) Financial costs	25	60,143,546	53,699,657
(e) Depreciation and amortization expense	13	35,831,208	38,268,041
(f) Other expenses	26	4,991,843	15,002,923
(g) Provision for Standard Assets		672,077	13,452
Total Expenses		533,064,126	543,713,117
5. Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (3-4)		(1,870,736)	54,311,902
6. Exceptional and Extraordinary Items/ Prior Period Adjustments		(795,797)	(266,782)
7. Profit /(Loss) before tax (5+6)		(2,666,533)	54,045,120
8. Tax expense:			
(a) Current tax		1,380,000	13,065,000
(b) Deferred tax		2,030,656	(2,294,381)
(c) Short/Excess Provision of tax		(10,821,314)	6,793,485
Total Tax Expense		(7,410,658)	17,564,104
Add:Share of Profit/(Loss) from Associate		236,984	206,471
Add:Minority Interest		(1,655)	(13,180)
9. Profit /(Loss) for the year (7-8)		4,979,455	36,674,307
10. Earning per equity share: (Face Value ₹ 10)	27		
(1) Basic		0.16	1.21
(2) Diluted		0.16	1.21

Significant Accounting policies

The accompanying Notes from 28 to 41 are an integral part of Financial Statements.

As per our report of even date attached.

For PAREKH SHAH & LODHA
Chartered Accountants
(Firm Reg. No. 107487W)

For and on behalf of the Board

Vaibhav Shah
(Chairman cum Managing Director)

Manju Bafna
(Whole-Time Director)

Ashutosh Dwivedi
(Partner)
M.No. 410227

Ashok Bafna
(Chief Financial Officer)

Sophia Jain
(Company Secretary)

Place : Mumbai
Date :30th May-2016

Place : Mumbai
Date :30th May-2016

Consolidated Cash Flow Statement for the year ended March 31, 2016

(Figures in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	(2,628,181)	54,311,902
Adjustments for		
Depreciation	35,831,208	38,268,041
Gratuity Provision	(2,598,030)	(3,138,723)
Provision for Standard Assets	672,077	13,452
Finance Expenses	60,097,587	53,699,657
Loss on assets sold/discarded	(667,561)	(130,423)
Dividend Received	(425,264)	(157,367)
Interest Received	(22,040,201)	(26,165,517)
Operating profit before working capital changes	68,241,635	116,701,021
Adjustments for		
Decrease (Increase) in Trade and other Receivables	(9,534,284)	(5,183,070)
Increase (Decrease) in Trade Payable and Provisions	(4,748,438)	14,614,841
Cash Generated from operations	53,958,913	126,132,792
Income Tax Provided For The Year	10,300,000	(13,065,000)
Prior Period Items	719,085	(266,782)
Net Cash From Operating Activities	64,977,998	112,801,010
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(11,834,472)	(12,702,511)
Sale of Fixed Assets	2,499,793	2,162,544
Purchase of Shares/ Mutual Funds	(30,000,000)	(14,500,000)
Long term Loans & Advances Received back	-	-
Interest Received	22,040,201	26,165,517
Dividend Received	425,264	157,367
Net Cash from Investing Activities	(16,869,214)	1,282,917
C. Cash flow From Financing Activities		
Finance Expenses	(60,097,587)	(53,699,657)
Issue of Share Capital	30,000,000	-
Loan Funds	-	6,236
Net Cash used in Financing Activities	(30,097,587)	(53,693,421)
Net Increase in Cash & Cash Equivalents	18,011,197	60,390,507
Opening Balance of Cash & Cash Equivalents	217,807,378	157,416,871
Closing Balance of Cash & Cash Equivalents	235,818,575	217,807,378

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 28 to 41 are an integral part of Financial Statements.

As per our report of even date attached.

 For **PAREKH SHAH & LODHA**
 Chartered Accountants
 (Firm Reg. No. 107487W)

For and on behalf of the Board

Vaibhav Shah
 (Chairman cum Managing Director)

Manju Bafna
 (Whole-Time Director)

Ashutosh Dwivedi
 (Partner)
 M.No. 410227

Ashok Bafna
 (Chief Financial Officer)

Sophia Jain
 (Company Secretary)

 Place : Mumbai
 Date :30th May-2016

 Place : Mumbai
 Date :30th May-2016

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. CORPORATE INFORMATION

Monarch Network Capital Limited (Formerly known as Network Stock Broking Limited) ('MNCL/ the company') has emerged as a leading provider of financial services and information provider primarily to Institutional and Retail clients in India for more than a decade. The company is a member of the National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) in the Capital Market and Derivatives (Futures & Options) segment. It is Depository Participant with Central Depository Services India (CDSL) and National Securities Depository (India) Limited (NSDL). The company also provides Merchant Banking, 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 MNCL, 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 Previous year under review, the financial statements have been prepared in accordance with Accounting Standard 14 (AS-14) – relating to Accounting for Amalgamations "The Pooling of Interests Method".

The Pooling of Interests Method

Under the pooling of interests method, the assets, liabilities and reserves of the transferor companies (MRBPL and MPFL) have been recorded by the transferee company (MNCL) 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 (MNCL) 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, 2016 and Statement of Profit and Loss for the year ended March 31, 2016 of Monarch Network Capital 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 Monarch Network Capital Limited have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The effects of all inter-group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the financial statements are generally consistent with those followed in the previous year by the Company.

iii) The list of subsidiaries that have been consolidated are given in note no. 34.

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.

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

g) Investments

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

h) Inventories

Stock in trade of the Transferee Company (NSBL) mainly represents securities held as stock in course of market making activities and remaining comprises of securities held as a result of error in execution of orders, is valued at cost. (Previous year costvalue).

i) Employee Benefits

Contribution to defined contribution scheme such as provident fund, is charged to the statement of profit & loss of the period to which they relate.

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

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

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

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

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

j) Foreign Currency Transactions

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

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

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

k) Taxes on Income

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

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

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

l) Borrowing Cost

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

m) Leases

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

n) Earnings per share

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

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

o) Provisions, Contingent Liabilities and Contingent Assets

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

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

p) Segment Reporting

During the year under consideration, the 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.

Note 3 Share Capital

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

(Figures in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
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 Redeemable Preference shares of Rs.10 each (P.Y. 60,00,000)	60,000,000	60,000,000
3,05,00,000 Equity Shares of ₹ 10/- Each (P.Y. 3,05,00,000)	305,000,000	305,000,000
	415,000,000	415,000,000
Issued Subscribed & Paid up Share Capital		
303,11,600 Equity Shares of ₹ 10/- Each (P.Y. 303,11,600)	303,116,000	303,116,000
Total	303,116,000	303,116,000

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	30,311,600	303,116,000	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	30,311,600	303,116,000

c. Terms / Rights attached to equity shares

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

During the year ended March 31, 2016 the company had not declared any dividend (Previous Year Nil).

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

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	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	10.86
Mr. Suresh Bafna	2512500	8.29	2512500	8.29
Mr. Vaibhav Shah	2712000	8.95	2712000	8.95
Mr. Bankim Shah	2206000	7.28	2206000	7.28
Ms. Bela Shah	2406000	7.94	2406000	7.94
M/s Metaphore Reality Investments Pvt Ltd	2412000	7.96	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 Reserves & Surplus

Particulars	As at	As at
	March 31, 2016	March 31, 2015
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	296,652,896
- Closing Balance	296,652,896	296,652,896
c. Surplus/Deficit in the statement of Profit & Loss		
- Opening Balance	(234,063,412)	(252,513,995)
- Add/Less General Reserve Arising on Account of Depreciation	-	(18,223,724)
- (+/-) : Net Profit /loss current year	4,979,455	36,674,307
Closing Balance	(229,083,957)	(234,063,412)
d. Amalgamation Reserve Account		
Transferred from Capital Reserve of Erstwhile MPFL	33,191,490	33,191,490
Transferred from Securities Premium Account	-	-
	33,191,490	33,191,490
Total	115,923,989	110,944,534

Note 5 Long-Term Borrowings

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Loan from NBFC (Secured against hypothecation of Vehicle)	586,546	935,934
Total	586,546	935,934

Note : (a) Loan from NBFC of Rs. 5,86,546/- (P.Y Rs.9,35,934/-) 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.

Note 6 Other Long-Term Liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
Security Deposit from Business Associates	26,020,734	26,137,791
Client Deposit	5,845,500	-
Total	31,866,234	26,137,791

Note 7 Long-Term Provisions

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Gratuity	12,275,567	10,189,711
Provision for NPA	2,688,345	2,688,345
Total	14,963,912	12,878,056

Note 8 Short Term Borrowings

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Overdraft from HDFC Bank (Secured against hypothecation of Office premises & Securities, and Personal guarantee of Key Management)	64,558,193	152,758,067
(b) Unsecured Loans from shareholders (Other than promoter group)	3,000,000	3,000,000
(c) Other Loans & Advances - Unsecured Loan	19,554,110	103,554,110
Total	87,112,303	259,312,177

Note 9 Trade Payables

Particulars	As at March 31, 2016	As at March 31, 2015
Sundry Creditors - Clients	457,949,824	428,979,551
Sundry Creditors - Others	12,278,164	12,101,780
Banks & Financial Institutions	467,036,091	319,525,268
Total	937,264,079	760,606,599

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 10 Other Current Liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Statutory Remittances	8,361,790	5,388,227
(b) Other Current Liabilities	5,675,233	20,469,879
Total	14,037,023	25,858,106

Note 11 Short Term Provisions

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee benefits Salary & Reimbursements	13,175,219	10,435,119
(b) Others Provision for Income Tax	9,261,017	19,254,928
Expenses payable outstanding	5,454,317	3,853,329
Provision for Standard Assets	981,966	309,889
Provision for Doubtful Deposits & Debtors	993,807	993,807
Total	29,866,326	34,847,072

Note - 12 Fixed Assets

(Figures in ₹)

Particulars	Gross Block				Accumulated Depreciation & Amortization				Net Block	
	01/04/2015	Additions	Deletions/ Adjustments	31/03/2016	01/04/2015	Additions	Deletions	31/03/2016	31/03/2016	31/03/2015
1 Tangible asset										
a Improvement to Lease Assets	28,318,938	-	-	28,318,938	8,231,190	1,618,518	-	9,849,708	18,469,230	20,087,748
b Office Premises					-			-	-	-
c Air Conditioners	15,639,820	602,700	117,831	16,124,689	15,032,647	234,907	111,939	15,155,615	969,074	607,173
d Computer	126,559,563	6,681,239	620,835	132,619,967	108,948,943	17,075,912	603,545	125,421,310	7,198,657	17,610,620
e Furniture & Fixtures	20,256,672	-	-	20,256,672	20,256,672	-	-	20,256,672	-	-
f Vehicles	15,326,173	-	-	15,326,173	10,997,024	1,713,064	-	12,710,088	2,616,085	4,329,149
g Office Equipment	28,765,883	1,540,921	237,114	30,069,690	16,472,982	9,553,903	194,984	25,831,901	4,237,789	12,292,901
Total - 1	234,867,049	8,824,860	975,780	242,716,129	179,939,458	30,196,304	910,468	209,225,294	33,490,835	54,927,591
2 Intangible Assets										
a Computer Software	59,718,890	3,009,612	2,434,481	60,294,021	46,374,842	5,634,905	-	52,009,747	8,284,274	13,344,048
b Goodwill on Consolidation	496,306			496,306				-	496,306	496,306
Total - 2	60,215,196	3,009,612	2,434,481	60,790,327	46,374,842	5,634,905	-	52,009,747	8,780,580	13,840,354
Grand Total (1 + 2)	295,082,245	11,834,472	3,410,261	303,506,456	226,314,300	35,831,209	910,468	261,235,041	42,271,415	68,767,945
Previous Year	291,220,002	12,773,711	8,911,468	295,082,245	193,804,934	38,268,042	5,758,676	226,314,300	68,767,945	97,415,068

Note 13 Non-current Investments

Particulars	As at 31 March 2016		As at 31 March 2015	
	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 Subsidiaries- Fully Paid up				
Network Financial Services Ltd.	949,400	8,957,627	949,400	8,946,663
Network SoftTech Ltd.	1,500,000	15,698,890	1,500,000	15,472,870
Quoted				
(a) Investments in Equity Shares - Fully Paid up				
Sadbhav Engeneering Ltd.	1,310	24,235	1,310	24,235
Of the Erstwhile MPFL				
- Indiabulls Limited	229,000	7,041,750	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		34,110,746		33,873,762
Less : Provision for diminution in the value of Investments				
Total		34,110,746		33,873,762

Note 14 Long-term Loans and advances

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured considered good unless stated otherwise :		
a. Security Deposits		
Deposit with Stock Exchange & Financial Institutions		
Deposit with Stock Exchange & Financial Institutions	115,050,009	158,484,828
Gratuity Fund	913,990	855,868
b. Balance with Revenue Authorities		
Advance Income Tax & Service Tax	68,554,165	76,952,408
Advance Fringe Benefit Tax	2,058,456	2,058,456
c. Other Deposits		
Deposits for Arbitration Order	13,057,906	12,474,074
Deposits for Office Premises	91,219,422	90,528,103
Deposits for Telephone, VSAT, Electricity etc.	999,382	2,759,338
Other Deposits	2,211,605	1,100,000
d. Deferred Revenue Expenditure		
	-	-
Total	294,064,935	345,213,075

Note 15 Inventories

Particulars	As at March 31, 2016	As at March 31, 2015
Stock in Trade*	123,597,744	71,507,295
Franking Balance on Hand	50,420	50,420
Stock of Stamp	10,162	10,162
Total	123,658,326	71,567,877

* 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 16 Trade Receivables

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
- considered good	566,236,343	106,589,772
- considered doubtful	67,287,557	109,501,733
Sub-total	633,523,900	216,091,505
Others		
- considered good	29,797,539	501,328,493
Provision for doubtful receivables	(67,287,557)	(106,986,231)
Total	596,033,882	610,433,767

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

Note 17 Cash and Bank balances

Particulars	As at March 31, 2016	As at March 31, 2015
a. Cash on hand	1,803,079	1,427,900
b. Balances with Banks:		
In Current Account	99,578,335	111,052,698
Balances held as margin money deposits against guarantees	78,750,000	43,500,000
Fixed Deposits held as Security Deposit	55,687,161	61,826,779
	234,015,496	216,379,477
Total	235,818,575	217,807,377

Note 18 Short-term loans and advances

Particulars	As at March 31, 2016	As at March 31, 2015
Advances to Staff	2,505,961	1,373,877
Advances to Suppliers	1,782,855	2,061,541
Prepaid Expenses	11,844,007	7,017,965
Other Loans & Advances	109,266,314	89,878,886
Advance with Clearing Member	23,500,551	24,416,333
Receivables against sale of property	7,548,628	7,616,818
Advance to Associates	709,749	951,269
Total	133,657,514	108,900,356

Note 19 Other Current assets

Particulars	As at March 31, 2016	As at March 31, 2015
Miscellaneous Expenditure to the extent not W/off	226,579	229,579
Total	226,579	229,579

Note 20 Revenue from Operations

Particulars	As at March 31, 2016	As at March 31, 2015
Income From Operation:		
Brokerage & Related Income	480,890,163	514,657,422
Interest Income	28,324,277	27,940,066
IPO Brokerage Commission	242,404	339,449
Profit on Trading of Shares	(2,711,048)	24,597,199
Merchant Banking income	50,000	1,150,000
Total	506,795,796	568,684,137

Note 21 Other Income

Particulars	As at March 31, 2016	As at March 31, 2015
Dividend Income	425,264	157,367
Interest Received On Fixed Deposits	17,887,825	26,165,517
Interest Received On Income Tax Refund	37,265	-
Interest Received On Others	4,173,233	-
DP Colateral Charges	-	178,261
Odin & Diet User Charges	603,725	636,397
Penalty Charges Recovered	668,301	785,265
Bad Debts Recovered	-	1,512
Sundry Balance W/off (Net)	601,982	1,416,562
Total	24,397,595	29,340,882

Note 22 Employee Benefit expense

Particulars	Year Ended on March 31, 2016	Year Ended on March 31, 2015
Salaries & Wages	132,681,909	126,533,018
Contribution to Provident & other funds*	8,585,046	8,174,877
Performance Incentive	4,245,966	5,992,046
Staff Welfare	3,511,317	5,251,879
Directors' Remuneration	3,154,900	5,832,316
Total	152,179,138	151,784,136

Note 23 Operating Expenses

Particulars	As at March 31, 2016	As at March 31, 2015
Demat Charges	6,009,561	6,378,781
Sub Brokerage & Commission Expenses	131,503,465	155,458,984
Stamping Charges	877,164	356,146
Penalty Account	246,825	-
Exchange Expenses	933,621	418,497
Connectivity Charges	9,203,206	9,222,260
Insurance Charges	493,248	567,945
Membership Fees & Subscription	2,934,175	1,893,356
Software Charges	6,875,475	8,105,847
Interest on Loan availed	18,377,878	18,059,840
Total	177,454,618	200,461,656

MONARCH NETWORK CAPITAL LIMITED

Note 24 Administrative Selling and Distribution Expenses

Particulars	As at March 31, 2016	As at March 31, 2015
Administration expenses		
Legal & Professional Charges	22,233,107	17,354,852
Telephone/Communication Charges	4,831,743	6,408,987
Electricity Charges	9,362,937	9,938,589
Rent Rates & Taxes	29,802,791	24,402,835
Municipal Taxes	236,284	786,486
Repairs & Maintenance	8,400,294	5,316,655
Manpower supply charges	1,176,560	505,716
Insurance Charges	182,938	-
Postage & Courier Charges	4,779,388	4,680,662
Conveyance & Travelling	5,579,178	5,490,600
Printing Stationery & Xerox Charges	3,649,924	3,524,237
Provident Fund Administrative Charges	378,599	318,757
Profession Tax	63,776	43,580
Share Registrar's Charges	-	36,000
Office expenses	2,076,284	2,198,637
Staff Recruitment Expenses	171,675	181,680
Sauda Difference	82,034	10,700
Auditors' Remuneration	653,580	703,495
Selling & Distribution Expenses		
Advertisement	1,439,572	1,085,129
Business Promotion Expenses	6,691,033	1,495,654
Total	101,791,697	84,483,252

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

Note 25 Financial Costs

Particulars	As at March 31, 2016	As at March 31, 2015
Interest On Bank OD & Fin. Inst.	57,505,408	50,546,560
Interest On Car Loan	81,108	121,510
Bank Guarantee Charges	1,842,799	1,502,549
Bank & Fin. Institution charges	390,544	366,707
Interest on Late Payment of TDS	33,480	28,698
Other Interest	290,206	1,133,633
Total	60,143,546	53,699,657

Note 26 Other Expenses

Particulars	As at March 31, 2016	As at March 31, 2015
Bad debts/Sundry Balance written off	4,073,845	14,605,830
Loss on Assets sold / discarded	(667,561)	(130,423)
Other Expenses	237,623	4,474
Charity & Donations	1,347,936	523,042
Total	4,991,843	15,002,923

Note 27 Earning Per Share

Particulars		As at March 31, 2016	As at March 31, 2015
Basic EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	4,979,455	36,674,307
Weighted Average Number of Shares Subscribed (Basic)	B	30,311,600	30,311,600
Basic EPS	A/B	0.16	1.21
Diluted EPS :			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	4,979,455	36,674,307
Weighted Average Number of Shares Subscribed (Basic)		30,311,600	30,311,600
Add : Potential Equity Shares on account of conversion of Employee Stock Options			-
Weighted Average Number of Shares Outstanding	B	30,311,600	30,311,600
Diluted EPS	A/B	0.16	1.21

Note 28 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**

(Figures in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Foreign Currency Outflow	Nil	Nil
Foreign Currency Inflow	10,841	Nil

• **Directors Remuneration**

(Figures in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Director Remuneration	3,154,900	5,832,316

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**

(Figures in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
For Statutory Audit	498,580	518,495
For Tax Audit	155,000	165,000
	653,580	683,495

Note 29 Scheme of Amalgamation

The scheme of Amalgamation between Monarch Research and Brokerage Private Limited ('MRBPL') and Monarch Network Capital Limited (erstwhile 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 Monarch Network Capital Limited (erstwhile 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 Monarch Network Capital Limited (erstwhile 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 respective financial year.

As per the Scheme of Amalgamation the Company was required to issue 1,90,80,000 equity shares of face value of Rs 10/- per share aggregating Rs 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 Rs 19,08,00,000/- to the shareholders of the erstwhile MRBPL and MPFL on October 27, 2014.

Note 30 Disclosures in accordance with Accounting Standard -14

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

Name of the Company	Nature of Business
Monarch Network Capital Limited (Formerly known as Network Stock Broking Limited) (MNCL)	Stock Broking, Depository Participant Services 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 Rs. 10/- each of MNCL for every 100 (One Hundred) Equity Share of Rs.10/- each held in MPFL.
- MRBPL - 100 (One Hundred) Equity Shares of Rs. 10/- each of MNCL for every 100 (One Hundred) Equity Share of Rs.10/- each held in MRBPL.

Note 31 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:

1. 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.
2. The amount lying to the balance of "Profit and Loss Account" in the books of account of the Transferor Companies has been adjusted by the Transferee Company to its Profit and Loss Account.
3. The Excess amount of Rs 3,31,91,490/- resulting on account of amalgamation has been transferred to "Amalgamation Reserve Account". The said account has not been considered as a free reserve as provided u/s 2(29A) of the Companies Act, 1956 as directed by the Honourable High Court, Mumbai.
4. As per the Scheme of Amalgamation the Company was required to issue 1,90,80,000 equity shares of face value of Rs 10/- per share aggregating Rs 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 Rs 19,08,00,000/- to the shareholders of the erstwhile MRBPL and MPFL on October 27, 2014.
5. The difference between the book value of net assets taken over and the value of shares issued after accounting for the cancellation if any have been adjusted to the Securities Premium Account.
6. The application and reduction of the Share Premium Account has been effected as an integral part of the Scheme without having to follow the process under the provisions of Section 78 and Section 100, 102 and 103 of the Act. Such application/reduction of the Share Premium account does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The order of the Court sanctioning the Scheme under Section 394 of the Act is deemed to be an order under Section 102 of the Act confirming the reduction and the compliance by the Transferee Company of the provisions of Section 391-394 of the Act shall be deemed to be the sufficient compliance of the provisions of Section 100 to 103 of the Companies Act, 1956, rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions, if any, relating to the reduction of share capital.

Note 32 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 33 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:

- a. 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.
- b. The company has given guarantee of ₹ 20 crores (previous year 5 Crores) for loan taken by its Subsidiary Company Ravisha Financial Services Private Limited from financial institutions.

The company has given guarantee of ₹ 4 crores (previous year Nil) for loan taken by its Subsidiary Company Network Commodities and Investments Limited from Bank.
- c. 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).

d. The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2016.

e. 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 Lakh)

Particulars	As at Mar 31, 2016
Service Tax matters pending with various authorities	57.96
Income Tax matters under appeal	8.54
Inter Corporate Guarantee	203.32
Total	291.76

e. Networth Commodities & Investments Limited has received an Order u/s 143(3) of Income tax Act, 1961 for A.Y 11.12 and demand of Rs.45,21,740/- raised. In connection with the same assessee has filed an appeal against the same demand.

Networth Commodities & Investments Limited, is undergoing liitigation from clients in MCX Segment for sum amounting to Rs. 1800,760/-. The outcome of which is contingent in nature (PY: Nil)

Note 34 Related Party Disclosure of NSBL

(a) List of Related Parties and Relationship

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Networth Commodities & Investments Ltd.	Subsidiary Company
Monarch Insurance Broking Private Limited	Subsidiary Company
Networth Wealth Solutions Ltd.	100% Subsidiary Company
Ravisha Financial Services Private Ltd.	100% Subsidiary Company
Networth Insurance Broking Private Ltd.	100% Subsidiary Company
Networth Softtech Ltd	Associate Concern
Networth Financial Services Ltd.	Associate Concern
Key Management Personnel	
Mr. Vaibhav Shah	Chairman cum Managing Director (Chairman w.e.f. 12th February, 2016)
Mrs. Manju Bafna	Executive Director
Others	
Mr. Suresh Pukhraj Jain	Chairman (upto 12th February, 2016) & Dominant Promoter Group
Mrs. Kanta Jain	Dominant Promoter Group
S.P. Jain – HUF Sun Capital Advisory Services Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Mrs. Kinnari Shah	Dominant Promoter Group
Mr. Bankim Shah	Dominant Promoter Group
Mr. Himanshu Shah	Dominant Promoter Group
Mr. Suresh Bafna	Dominant Promoter Group
Premjayanti Properties- Partnership Firm (Mr. Vaibhav Shah & Mr. Himanshu Shah- being Partners)	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Premjayanti Enterprises Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Monarch Comtrade Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Monarch Infraparks Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Sur-Man Investment Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Simandhar Securities Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
Samarpan Properties Private Limited	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence

(b) Transaction with the Related Parties

(Figures in ₹)

Particulars		Subsidiaries	Associate Company	Key Management Personnel	Others	Total
Revenue Received	CY			-	-	-
	PY			-	-	-
Rendering of Services	CY			12,940,212	16,800,000	29,740,212
	PY			7,210,742	11,400,000	18,610,742
Sale of Assets	CY			-	-	-
	PY			-	-	-
Loan Given	CY			-	-	-
	PY			-	-	-
Outstanding Balance included in current liabilities	CY		19,554,110	-	-	19,554,110
	PY		17,085,235	-	-	17,085,235
Outstanding Balance included in current assets	CY			-	5,000,000	5,000,000
	PY			-	6,354,679	6,354,679

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

Note 35 Segment Reporting

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

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

Segment wise Revenue / Result / Assets / Liabilities

(₹ in Lacs)

Sr. No	Particulars	March 31, 2016	March 31, 2015
1	Segment Revenue (net sale / income from each segment)		
a	Broking	4,624.47	5,563.79
b	Wealth management	43.92	193.44
c	Non banking financial business	392.35	339.40
d	Others	0.07	-
	Total	5,060.81	6,096.63
	Less: Inter segment revenue	141.37	119.11
	Net sales / income from operations	4,919.44	5,977.52
2	Segment Results Profit/ (Loss) before tax and interest		
a	Broking	440.85	768.98
b	Wealth management	(5.77)	41.63
c	Non banking financial business	(31.51)	25.74
d	Others	(0.11)	(0.40)
	Total	403.46	835.95
	Less: i. Interest Expenses	(601.43)	(557.15)
	Add: i. Un-allocable income	-	-
	ii. Interest Income	178.88	261.66
	Total Profit Before Tax	(19.09)	540.46
3	Capital Employed (Segment assets – Segment Liabilities)		
a	Broking	5,772.58	5,805.69
b	Wealth management	(988.90)	(982.79)
c	Non banking financial business	505.53	241.10
d	Others	45.81	45.91
	Total	5,335.02	5,109.91

- Note 36** 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 37** 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 38** 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 39** There are no Capital commitments which is outstanding as on Balance Sheet date (previous year Nil).
- Note 40** **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 41** 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 PAREKH SHAH & LODHA

Chartered Accountants
(Firm Reg. No. 107487W)

Ashutosh Dwivedi

(Partner)
M.No. 410227

Place : Mumbai
Date : 30th May , 2016

For and on behalf of the Board

Vaibhav Shah

Chairman
cum Managing Director

Ashok Bafna

Chief Financial Officer

Manju Bafna

Whole-Time Director

Sophia Jain

Company Secretary

Place : Mumbai
Date : 30th May , 2016

MONARCH NETWORK CAPITAL LIMITED
(FORMERLY KNOWN AS NETWORK 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@mnclgroup.com, Website: www.mnclgroup.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 new 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 – Monarch Network Capital 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 **Monarch Network Capital Limited**
(Formerly known as Network Stock Broking Limited)

Sophia Jain
Company Secretary & Compliance Officer

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MONARCH NETWORK CAPITAL LIMITED

[(FORMERLY KNOWN AS NETWORK 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@mnclgroup.com, Website: www.mnclgroup.com

ATTENDANCE SLIP

23RD ANNUAL GENERAL MEETING ON FRIDAY, 30TH SEPTEMBER, 2016

(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 **23RD ANNUAL GENERAL MEETING** of the Company held on Friday, 30th September, 2016 at 12.00p.m. at Jayleela Banquet Opp. Railway Nagar, Sonawala Rd, Goregaon East, Mumbai, Maharashtra 400063.

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 Tuesday, 27thSeptember, 2016 (10.00 a.m.) and ends on Thursday, 29th September, 2016 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

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MONARCH NETWORK CAPITAL LIMITED

(FORMERLY KNOWN AS NETWORK 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@mnclgroup.com, Website: www.mnclgroup.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] (Form No.MGT11)

23RD ANNUAL GENERAL MEETING ON FRIDAY, 30TH SEPTEMBER, 2016

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 23rd Annual General Meeting of the Company to be held on Friday, 30th day of September, 2016 at 12.00p.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
Ordinary Business:				
1	Ordinary Resolution for adoption of Audited Financial Statements (including Consolidated Audited Financial Statements) for the year ended 31 st March, 2016 and the Reports of the Directors' and the Auditors.			
2	Ordinary Resolution for appointment of a director in place of Mrs. Manju Bafna, Whole-Time Director, who retires by rotation and being eligible, offers herself for re-appointment.			
3	Ordinary Resolution for ratification of appointment of appointment of M/s. Parekh Shah and Lodha, Chartered Accountants (having FRN 107487W), Mumbai as Statutory Auditors of the Company and to fix their remuneration.			
Special Business:				
4.	Ordinary Resolution to consider the re-appointment of Mr. Vaibhav Shah (DIN :00572666) as Managing Director of the Company.			
5.	Ordinary Resolution for not charging any fee payable by members for delivery of documents through a particular mode of delivery to a member as per Section 20 of the Companies Act, 2013			

Signed this _____ day of _____ 2016

Signature of Member: _____

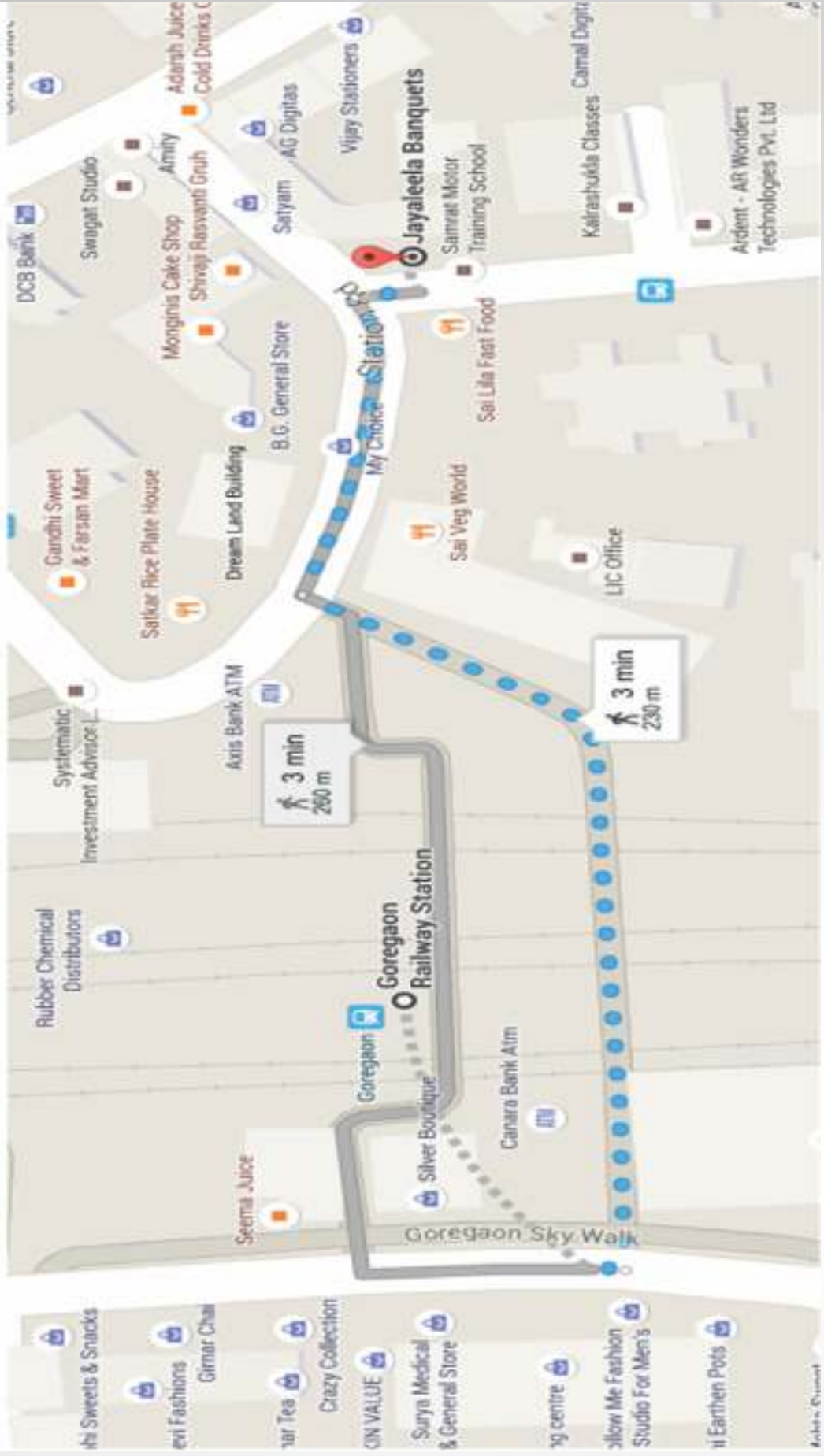
Signature of Proxy holder(s): _____

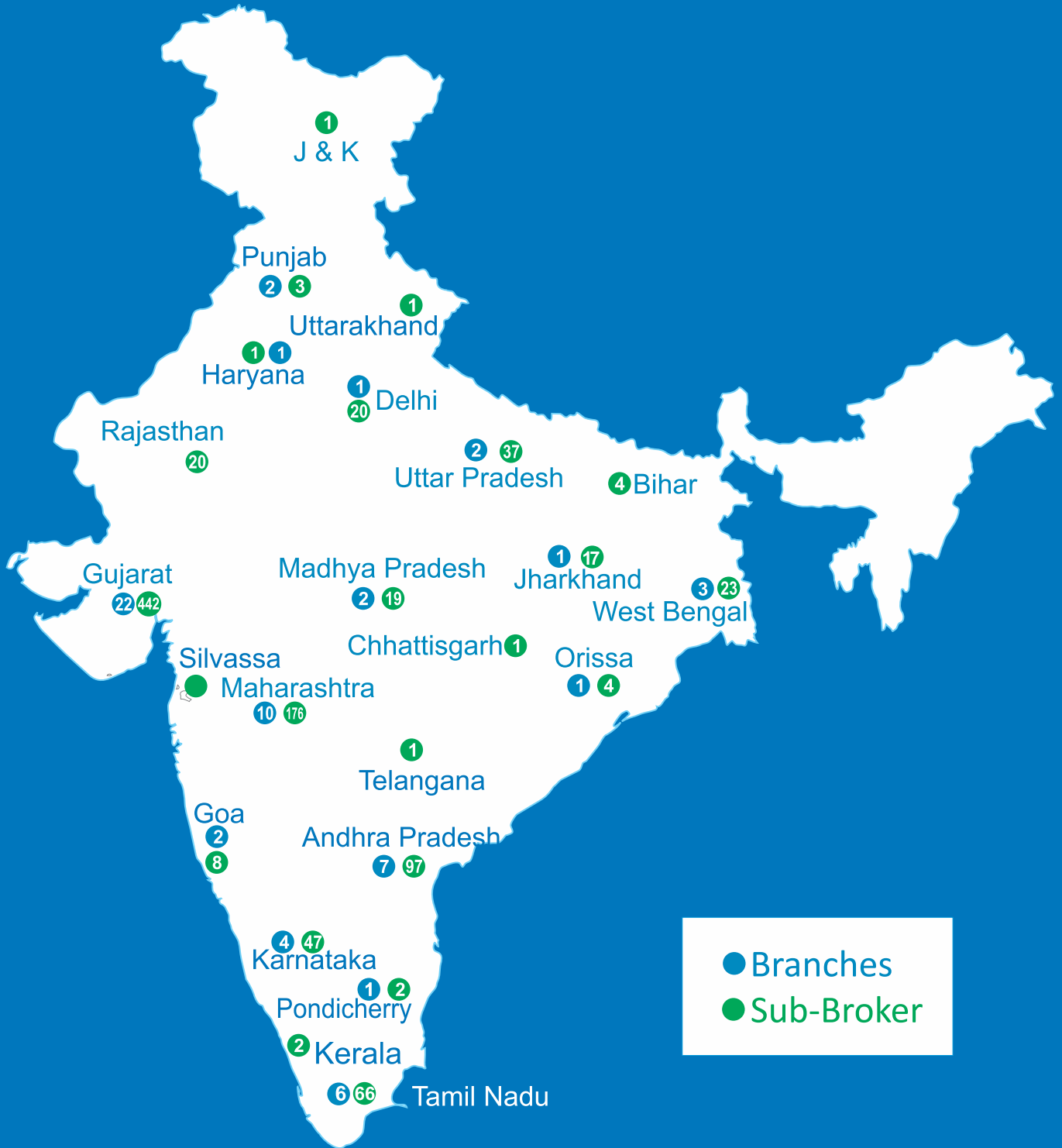
<p>Affix Revenue Stamp of not less than Rs..1/-</p>

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.

ROUTE MAP FOR AGM VENUE





Monarch Network Capital Ltd. (SEBI Regi. No.: INZ000008037)

(Formerly known as Network Stock Broking Ltd.)

Corporate Office: Monarch House, Opp. Ishwar Bhawan, Commerce Six Roads, Navrangpura, Ahmedabad-380014. **T:** +91-79-26666500, 66000500

Registered Office: 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (E), Mumbai-400063. **T:** +91-22-30641600

E : reachus@mnclgroup.com | **W :** www.mnclgroup.com