



**MONARCH**  
**NETWORK CAPITAL**

*wealthcare redefined*

18<sup>th</sup> October, 2017

To,  
The Manager- CRD  
BSE Limited  
2<sup>nd</sup> J. Towers  
Dalal Street, Fort  
Mumbai - 400 001

Dear Sir,

**Scrip Code: 511551**

**Sub. : Submission of Annual Report 2016-2017**

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 2016-17, duly approved and adopted by the members of the Company at 24<sup>th</sup> Annual General Meeting of the Company held on Friday, 29<sup>th</sup> September, 2017 at 12.00 P.M. at Supreme Hospitality, Ozone Activity Centre, Prabhodhan Goregaon, Siddharth Nagar, Goregaon(West), Mumbai-400104.

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**  
**NETWORTH CAPITAL**  
*wealthcare redefined*

Financial market simplified,

**Wealthcare**  
**redefined**

**Annual Report**  
**2016-17**





# Future Watch-from the Chairman's Desk

Monarch Network Capital Limited (MNCL) was incorporated as a small broking house in the year 1993 and has obtained membership of National Stock Exchange Limited. Earlier the group was member of Ahmedabad Stock Exchange since 1990 with Over 27 years of experience, we have added more verticals to our business ranging from pure stock broking services to the entire gamut of financial services such as:

Stock Broking, Commodities Broking, hedging and arbitrage, Currency Broking and hedging, Mutual Fund distribution, Depository Participant, Portfolio Manager, Investment Advisor, Merchant Banker, Market Maker

## **Standalone Financial Highlights:**

Revenues increase by 28.65% at Rs 585.81 MN in FY: 2016-17 as compared to Rs 455.36 MN in FY: 2015-16. Operating profits increase by 146.22 % to Rs 90.34 MN in FY: 2016-17 from Rs 36.69 MN in FY: 2015-16. PAT increase by 1435.58 % to Rs 73.10 MN in FY: 2016-17 from Rs 4.76 MN in FY: 2015-16.

## **Consolidated Financial Highlights:**

Revenues increase by 31.33% at Rs 697.64 MN in FY: 2016-17 as compared to Rs 531.19 MN in FY: 2015-16. Operating profits increase by 217.76 % to Rs 107.64 MN in FY: 2016-17 from Rs 33.88 MN in FY: 2015-16. PAT increase by 1699.56 % to Rs 85.39 MN in FY: 2016-17 from Rs 4.76 MN in FY: 2015-16.

## **Focus:**

Company has been focusing on increasing its market share through online trading segment in line with PM's vision of digital India, "I dream of a Digital India where – Mobile and e-Banking ensures Financial Inclusion – where e-commerce drives entrepreneurship". 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.



**Mr. Vaibhav Shah**  
Chairman cum Managing Director  
-MNCL Group of Company

# Economic Overview

- Demonetisation during the previous financial year had strong potential to generate long-term benefits in terms of reduced corruption, greater digitisation of the economy, increased flow of financial savings and greater formalisation of the economy, all of which would eventually lead to higher GDP growth and tax revenues.
- There is early evidence of an increased capacity of Banks to lend at reduced interest rates and a huge shift towards digitisation among all sections of society.
- The effects of demonetisation are not expected to spill over into the next year. Thus IMF, even while revising India's GDP forecast for 2016 downwards, has projected a GDP growth of 7.2% and 7.7% in 2017 and 2018 respectively. The World Bank, however, is more optimistic and has projected a GDP growth of 7% in 2016-17, 7.6% in 2017-18 and 7.8% in 2018-19. This pick up in our economy is premised upon our policy and determination to continue with economic reforms; increase in public investment in infrastructure and development projects; and export growth in the context of the expected rebound in world economy. The surplus liquidity in the banking system, created by demonetisation, will lower borrowing costs and increase the access to credit. This will boost economic activity, with multiplier effects.
- Promotion of a digital economy is an integral part of Government's strategy to clean the system and weed out corruption and black money. It has a transformative impact in terms of greater formalisation of the economy and mainstreaming of financial savings into the banking system. This, in turn, is expected to energise private investment in the country through lower cost of credit. India is now on the cusp of a massive digital revolution.
- Considering all these aspects, fiscal deficit for 2017-18 at 3.2% of GDP and remain committed to achieve 3% in the following year.

## Other measures in the Financial Sector:

1. The commodities and securities derivative markets will be further integrated by integrating the participants, brokers, and operational frameworks.
2. The process of registration of financial market intermediaries like mutual funds, brokers, portfolio managers, etc. will be made fully online by SEBI. This will improve ease of doing business.
3. A common application form for registration, opening of bank and demat accounts, and issue of PAN will be introduced for Foreign Portfolio Investors (FPIs). SEBI, RBI and CDDT will jointly put in place the necessary systems and procedures. This will greatly enhance operational flexibility and ease of access to Indian capital markets.
4. Steps undertaken for linking of individual demat accounts with Aadhar.
5. Presently institutions such as banks and insurance companies are categorised as Qualified Institutional Buyers (QIBs) by SEBI. They are eligible for participation in IPOs with specifically earmarked allocations. It is now proposed to allow systemically important NBFCs regulated by RBI and above a certain net worth, to be categorised as QIBs. This will strengthen the IPO market and channelize more investments.
6. Listing and trading of Security Receipts issued by a securitisation company or a reconstruction company under the SARFAESI Act will be permitted in SEBI registered stock exchanges. This will enhance capital flows in to the securitisation industry and will particularly be helpful to deal with bank NPAs.

### **In nutshell:**

Overall economy is showing developing trends with series of reforms. In line with our last year vision of digitalization, demonetization and reduced interest rate will result in huge financial buffer to boost financial market. With technology in focus online account opening, online transaction processing like trades, payments and support process, cost is anticipated to reduce and market size and share to double or even more than that.

## Overview of the Results:

(figure in Millions)

Particulars	Year Ended-2016-17	Year Ended-2015-16	Growth (%)
Income	585.81	455.36	28.65%
PAT	73.10	4.76	1435.58%
EPS (in ₹)	2.41	0.16	1406.25%

## Developments & Growth:

- a) Company / Group is under process to aggressively enter into:
  - a. Merchant Banking Services for IPO listing, Underwriting to the issue, market making services, business restructuring, buybacks and right issues, valuations etc
  - b. Debt Syndications services
  - c. Bond Market transactions and placements
  - d. Portfolio Management services
  - e. Investment Advisory Services
- b) Company has increased technology based trading and 19% of its overall volume is garnered through Mobile trading.
- c) Open new branches at Surat, Baroda, New Delhi and chainae.
- d) Hired 50 new employees across various departments



# Certificate





# Genesis of a journey to simplify wealth management

**M**onarch 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**

Vaibhav Shah is the founder of the Monarch Group (Now Merged with Network Stock Broking Limited). With his rich experience of more than 25 years in the financial market, Vaibhav Shah is guiding the group 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 inter-personal 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 the group.

## 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, HR, Public Relation (PR) etc. He also dedicates his time in taking effective measures to improved qauality 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 19 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 DILs, 18 FIs & 6 Insurance companies.

# Manju Bafna

**Whole time Director - MNCL**

Manju Bafna has done her Bachelors in Science from Mumbai University. She has over 23 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 support Group's expansion and also acts as a Financial Controller.



# 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 **225** cities and **22** states across India  
(Through Branches as well as Business Associates)

**2,32,000**  
Satisfied clients across India

**67**  
Branch Offices across India

**721** Skilled Professionals to help customers

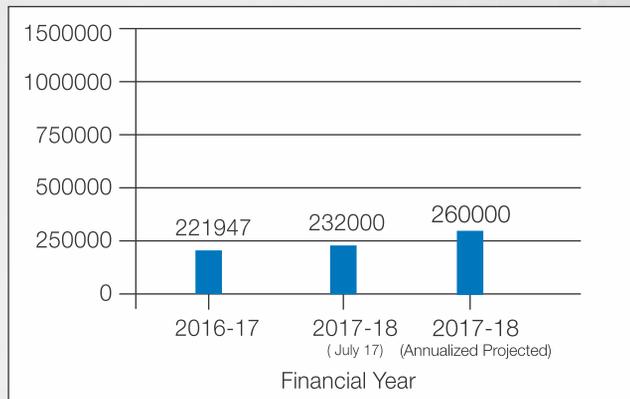
**45**  
Institutional Clients

**1,020**  
Business Associates

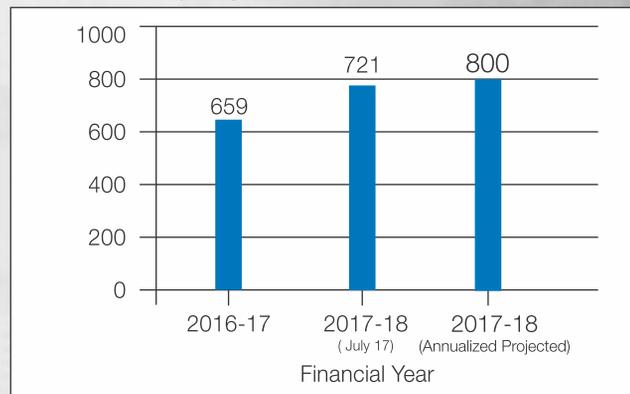
A Pan-India tie up with **Punjab National Bank** for online trading solutions available in more than **2,300 PNB** offices

# Gearing up for a brighter future

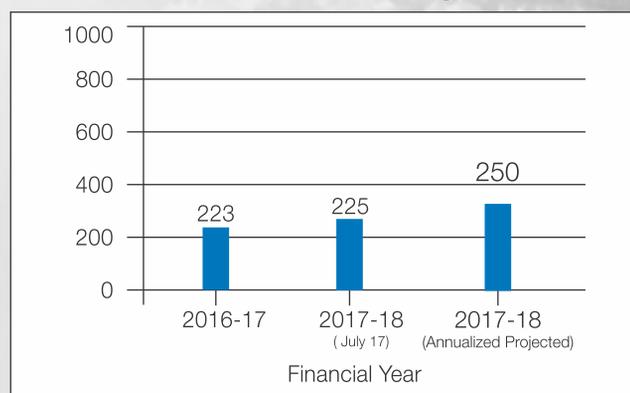
## No. of Clients



## No. of Employees



## Presence in Cities( including Rural area )



# Decisive edge that takes you closer to **your dreams**

With our track record of more than 2 decades, we have evolved into a dynamic Group. By challenging our abilities, we have defied the conventional approach and emerged as a distinct identity. Today, we provide 360° 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 Valuable investors.

Training provided for new products

Investment advisory and risk management

Personalized trading service for Clients

Online trading through MNCL secure web-portal

A dedicated commodity and currency dealing desk

Quality research for value investments

Competitive brokerage with better service

Presentation on latest Exchange updates

Efficient back office support

24x7 online web/mobile based back office support

Seminar / Discussion meet at regular intervals on factors affecting the Indian economy

Multiple services under one roof

Sub-broker (Business Associates) meets are organized for discussions on growth and expansion

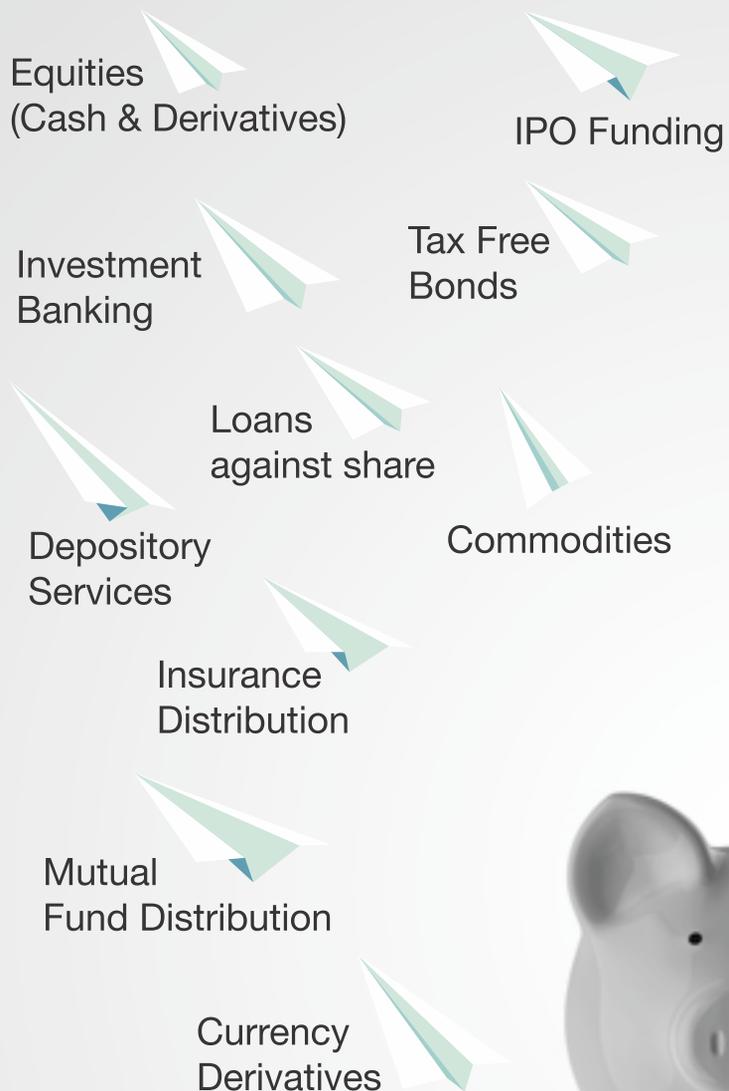
Intra-day hot picks through messenger & SMS services

Investor Awareness Programs for constant awareness

Weekly newsletter for market trends



## 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 new investment ideas from it.

# Monarch Network Capital Limited

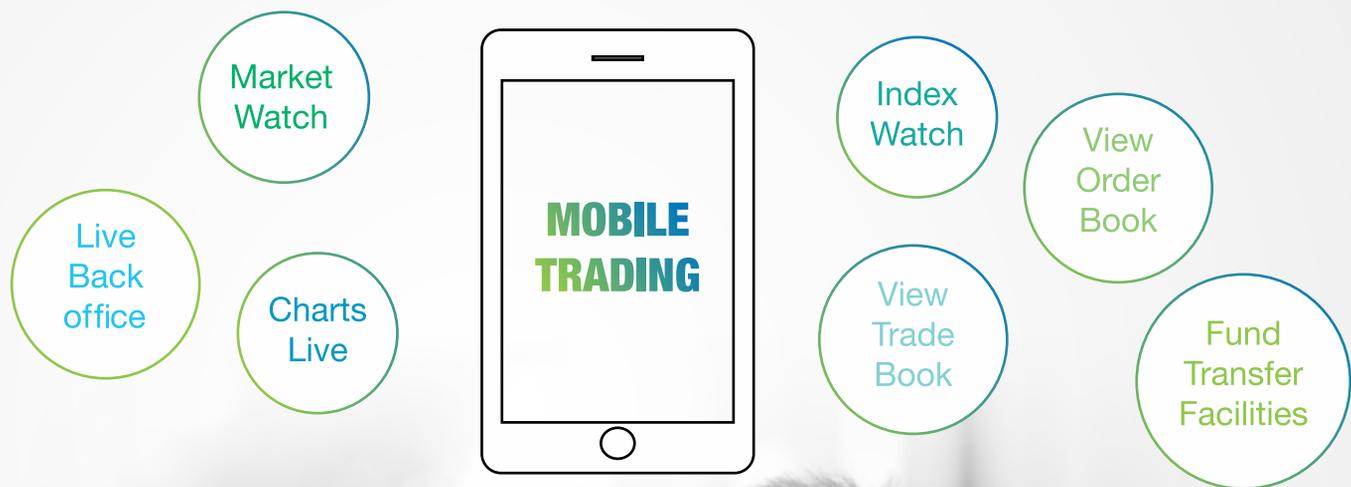
- \* Award of Appreciation of **Bond Market in FY 2016-17**
- \* Award of Appreciation of **IDFC Balanced Fund NFO**
- \* Winner of **Times Retails Icon 2016-2017** Equity, Commodity & Currency Segment.
- \* Launched "**TechExcel**" highly Technology Drive Back-office Solution 2017.
- \* Launched Super fast on-line trading application "**moneymaker**" in 2017.
- \* Top performer **Cash Market NSE 2015-2016.**
- \* Got award of Top Performer in **Active Accounts(Big DPs) of NSDL Star Performer in 2013 & 2015.**
- \* Got Award of Top Performer in **New Account - Opened(NON -Bank Category-2nd Position) of NSDL Star Performer in 2014.**
- \* **Got Merchant banking License in 2006.**
- \* Got Award Leader in go green Initiative of **NSDL Star Performer in 2014.**
- \* Expanded our operation aggressively in major cities of **Nort India and South India including Remote Places as well.**
- \* Empanelled/Servicing all major **AMC's Insurance Companies and Banks with our Investment Ideas and Research Products.**



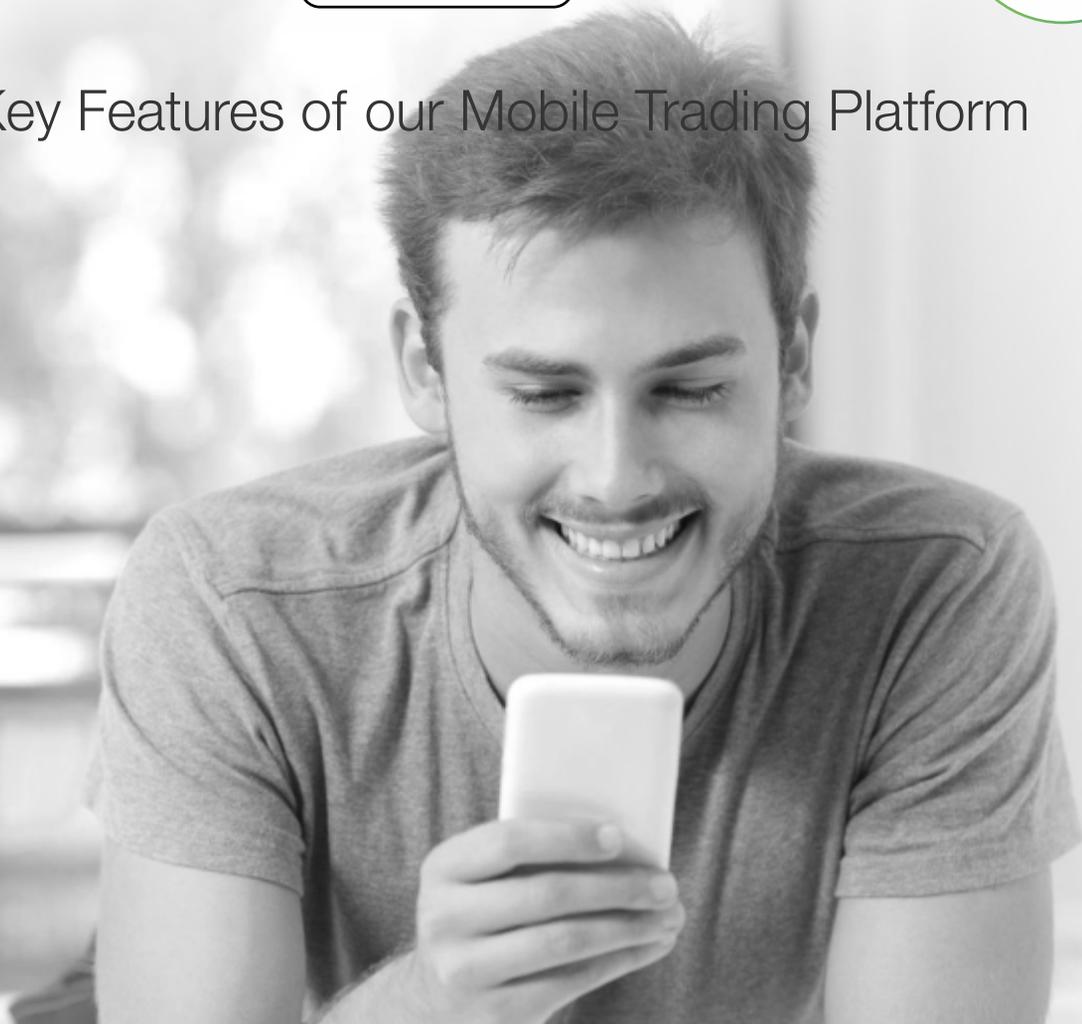
# Harnessing technology, helping clients flow ahead

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



# Contents

Notice.....	2
Board's Report .....	7
Extract of Annual Return.....	12
Secretarial Audit Report .....	24
Report of Corporate Governance.....	26
Auditors' Certificate on Corporate Governance.....	36
CEO/CFO Certification .....	37
Management Discussion & Analysis Report .....	38
Standalone Financial Statements .....	40
Consolidated Financial Statements.....	63
Form No. SH-13 - Nomination Form.....	85
Form No. SH-14- Cancellation Or Variation Of Nomination.....	86
Attendance Slip.....	87
Proxy Form MGT-11.....	89
Route Map for AGM Venue .....	91

## **Board of Directors:**

Mr. Vaibhav Shah : Chairman cum Managing Director  
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:**

### **Registered Office :**

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

### **Corporate Office:**

Monarch House, Opp. Ishwar Bhuvan,  
Commerce Six Roads,  
Navrangpura, Ahmedabad-380014  
tel:+91-79-26666500, 66000500

### **Bankers:**

HDFC Bank Ltd. ICICI Bank Ltd. Axis Bank Ltd.  
CorporationBank IndusInd Bank Ltd

### **Statutory Auditors:**

M/s. Parekh Shah and Lodha  
CharteredAccountants,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 : 29th September, 2017  
Time : 12.00.P.M.  
Venue : Supreme Hospitality, Ozone Activity Centre,  
Prabhodhan Goregaon, Siddharth Nagar, Goregaon(West)  
Mumbai-400104

# MONARCH NETWORTH CAPITAL LIMITED

---

MONARCH NETWORTH CAPITAL LIMITED  
(FORMERLY KNOWN AS NETWORTH STOCK BROKING LIMITED)  
CIN: L65920MH1993PLC075393

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

## NOTICE

**NOTICE** is hereby given that the 24th Annual General Meeting of the members of Monarch Network Capital Limited will be held on Friday, the 29th day of September, 2017 at 12.00p.m. at Supreme Hospitality, Ozone Activity Centre, Prabhodhan Goregaon, Siddharth Nagar, Goregaon(West) Mumbai-400104 to transact the following businesses:

### ORDINARY BUSINESS:

**Item No.1:Adoption of Financial Statements:** To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated Audited Financial Statements) of the Company for the year ended 31st March, 2017 together with the Reports of the Board of Directors' and the Auditors' thereon.

**Item No. 2: To appoint Director in place of Mr. Vaibhav Shah, Director of the Company, who retires by rotation:** To appoint a Director in place of Mr. Vaibhav Shah, (DIN 0000572666) Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.

**Item No. 3: To ratify the 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, 2018.

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 139, 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, 2018 in consultation with the auditors."

**By Order of the Board of Directors**

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

**Sophia Jain**  
**Company Secretary & Compliance Officer**

Place: Mumbai  
Date: 04th September, 2017

**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..**  
In terms of Section 105 of the Companies Act, 2013 and Rules framed thereunder, 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. 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.
3. 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.
4. Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 25th day of September, 2017 to Friday, 29th day of September, 2017 (both days inclusive).
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. Members/Proxies are requested to bring duly filled Attendance Slip along with their copy of Annual Report at the time of the Meeting.
14. 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.
15. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating some additional details of its members.  
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.  
The Notice of 24th Annual General Meeting and instructions for e-voting along with Assent / Dissent Form, Attendance Slip and Proxy Form are being sent by electronic mode to all members whose email address are registered with the Company/Depository Participant(s) unless member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by courier.
16. Route Map for the venue of the proposed AGM of the company, is appearing at the end of the Annual Report.
17. **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 24th Annual General Meeting to be held on Friday, 29th September, 2017. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

## MONARCH NETWORKTH CAPITAL LIMITED

The facility for voting, either through ballot / polling paper shall also be made available at the venue of the 24th 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, 22nd September, 2017 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, 22nd September, 2017, only. The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com)

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

- (a) The remote e-voting period will commence on Tuesday, 26th September, 2017 (10.00 a.m.) and ends on Thursday, 28th September, 2017 (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, 22nd September, 2017, 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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● 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.</li> <li>● 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.</li> </ul>
DOB	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
Dividend Bank Details or Date of Birth (DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d)(i).

- (e) After entering these details appropriately, click on "SUBMIT" tab.
- (f) Members holding shares in Physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share password with any other person and take utmost care to keep password confidential.
- (g) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (h) Click on the EVSN for **MONARCH NETWORKTH 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](http://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](mailto: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](mailto: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, 29th September, 2017

**(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](http://www.evotingindia.com) under 'HELP' section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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, 22nd September, 2017
- (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, 22nd September, 2017 may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (e) However, if member already registered with CDSL for remote e-voting then members can use their existing User ID and Password for casting their vote. If member forget password, member can reset their password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://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 24<sup>th</sup> 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 two 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.

## MONARCH NETWORTH CAPITAL 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	Mr. Vaibhav Shah
DIN	00572666
Date of Birth	17th April, 1972
Nationality	Indian
Date of Appointment as Director	01st December, 2014
Qualifications	B.Sc
Designation	Managing Director
Experience/ Expertise	23 Years of Experience in Capital Market and 13 Years of Experience in Commodity Derivative Market
Shareholding of Company and equity shares of Rs 10	27,12,000
List of directorships held in various other Companies	1. Monarch Networth Capital IFSC Private Limited 2. Sakariya Monarch Procon LLP(Designated Partner)
List of Chairmanship of various Committee and Membership in Public Companies	Nil
Relationship with existing Directors of the Company	None

**By Order of the Board of Directors**

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

**Sophia Jain**  
**Company Secretary & Compliance Officer**

Place: Mumbai  
Date: 04th September, 2017

## DIRECTORS' REPORT

To  
The Members,  
Monarch Networth Capital Limited

Your Directors present the 24th Annual Report together with Financial Statements of the Company for the financial year ended 31st March 2017.

**FINANCIAL HIGHLIGHTS:**

The financial performance of the Company is summarized below:

( ₹ in Lacs)

Particulars	Standalone Year ended		Consolidated Year ended	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Total Revenue (net)	5409.84	4364.07	6499.03	5067.96
Profit before Finance Cost, Depreciation & Amortization expenses and Tax	1526.33	736.82	1730.76	941.04
Finance Cost	295.70	598.28	303.41	601.44
Depreciation and Amortization expenses	174.75	180.35	176.93	358.31
Profit/(Loss) before exceptional items and tax	1055.88	(41.81)	1250.42	(18.71)
Add: Exceptional/Extraordinary Items and Prior Period Adjustments	(103.45)	(7.57)	(110.12)	(7.96)
Profit/(Loss) before tax	952.43	(49.38)	1140.30	(26.67)
Less: Current Tax	168.36	0.00	209.65	(103.00)
Less: Deferred Tax	52.96	19.81	77.67	20.31
Less: Provision for tax	0.00	(116.80)	(0.91)	8.59
Profit / (Loss) after tax	731.11	47.61	853.89	47.43
Add: Share/Loss of Profit from Associates	0.00	0.00	(2.53)	2.36
Add : Minority Interest	0.00	0.00	(0.02)	(0.01)
Profit /(Loss) for the year	731.11	47.61	851.34	49.79

**FINANCIAL PERFORMANCE:**

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a consolidated financial statement of the Company is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

**On Standalone basis:**

The total income of the Company for the year under review stood at ₹ 5409.84 Lakhs (previous year 4364.07 Lakhs). During the year the Company earned net profit of ₹ 731.11 Lakhs (previous year profit of ₹ 47.61 Lakhs).

**On Consolidated Basis:**

The total income of the Company for the year under review stood at ₹ 6499.03 Lakhs (previous year ₹ 5067.96 Lakhs). During the year the Company earned net profit of ₹ 851.34 Lakhs (previous year profit of ₹ 49.79 Lakhs).

**FINANCIAL STATEMENTS:**

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a consolidated financial statement of the Company is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

**SHARE CAPITAL:**

As on March 31, 2017, the paid up equity share capital of the company was ₹30,31,16,000 i.e. 3,03,11,600 equity shares of ₹ 10 each. There was no change in Paid-up Share Capital of the Company during the Financial Year 2016-17.

**DIVIDEND:**

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

**PUBLIC DEPOSITS:**

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

**EXTRACT OF ANNUAL RETURN:**

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

## MONARCH NETWORK CAPITAL LIMITED

---

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

The Company has formulated code of conduct on appointment of directors and senior management. This code of conduct can be accessed on the website of the Company at the link <https://www.mnclgroup.com/investor-relation/investor-relation-code-of-conduct>

**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 is given in the Notice convening 24th 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 13 (Thirteen) 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 and Obligation 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 and Obligation 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 and Obligation

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 at [www.mnclgroup.com](http://www.mnclgroup.com). We affirm that during the financial year 2016-2017, 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 and Obligation 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 incorporated a new subsidiary company "Monarch Network Capital IFSC Private Limited" on 14th March, 2017. Since there are no activities carried out during the financial year 2016-17, accounts has not been merged in Consolidated Financial Statement of the Company.

The Company has 6 (six) Subsidiary Companies as on 31st March, 2017. 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 except for "Monarch Network Capital IFSC Private Limited", 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](http://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 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 III**.

## MONARCH NETWORK CAPITAL LIMITED

---

### 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.

The Policy on materiality of related party transactions and also on dealing with related party transactions as approved by the Board may be accessed on the website of the Company at the link <https://www.mnclgroup.com/investor-relation/investor-relation-policy>

### 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 for Financial Year 2016-2017.

### 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, 2018.

The Auditor's Report for the year ended 31st March, 2017 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 IV** 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 2017-2018 to the said Stock Exchange.

### CORPORATE GOVERNANCE:

A report on Corporate Governance along with a certificate from the Practising Company Secretary of the Company regarding the compliance of conditions of corporate governance as stipulated under Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015 forms part of this Annual Report as **Annexure V**.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis Report, which gives a detailed account of state of affairs of the Company's operations forms part of this Annual Report as **Annexure VI**.

### 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.

The policy can be accessed on the website of the Company at the link - <https://www.mnclgroup.com/investor-relation/investor-relation-policy>.

**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, 2017	Year ended 31st March, 2016
Foreign exchange earning	8157.12	10841.02
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: 04th September, 2017

**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 31<sup>st</sup> March, 2017)**

**[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 <sup>nd</sup> December, 1993
iii	Name of the Company	Monarch Networkth 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 <sup>th</sup> Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063 Tel: 022-30641600 Fax: 022-2685 0257 Email - <a href="mailto:reachus@mnclgroup.com">reachus@mnclgroup.com</a> Website – <a href="http://www.mnclgroup.com">www.mnclgroup.com</a>
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 <sup>st</sup> Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020. Tel: 011-26812682/83 Email: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a>

**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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of Company	CIN	Holding / Subsidiary / Associate	% of Shares held	Applicable section
1.	<b>Monarch Networth Comtrade Limited</b> Office no.901/902, 9 <sup>th</sup> Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road,Goregaon (East), Mumbai 400063.	U67120MH2000PLC128451	Subsidiary	99.96	2 (87) (ii)
2.	<b>Networth Wealth Solutions Limited</b> Office no.901/902, 9 <sup>th</sup> Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon(East), Mumbai 400063.	U67120MH2008PLC179566	Subsidiary	100.00	2 (87) (ii)
3.	<b>Networth Insurance Broking Private Limited</b> Office no.901/902, 9 <sup>th</sup> Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063.	U66030MH2008PTC184334	Subsidiary	100.00	2 (87) (ii)
4.	<b>Monarch Networth Finserve Private Limited</b> Office no.901/902, 9 <sup>th</sup> Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063.	U65900MH1996PTC100919	Subsidiary	100.00	2 (87) (ii)
5.	<b>Monarch Networth Investment Advisors Pvt Ltd. (Formerly known as Monarch Insurance Broking Private Limited)</b> Monarch House, Nr. Ishwar Bhuwan Cross Road, Near Commerce Six Road, Navarangpura, Ahmedabad, Gujarat- 380009	U74140GJ2007PTC052348	Subsidiary	99.98	2 (87) (ii)
6.	<b>Monarch Networth Capital IFSC Private Limited</b> Unit-41,Ground Floor,Aspire One Building Block-12, Road 1D, Zone-1,GIFT SEZ Gandhinagar Gandhinagar , Gujarat- 382355	U65929GJ2017PTC096239	Subsidiary	99.99	2 (87) (ii)
7.	<b>Networth Softtech Limited</b> Office no.901/902, 9 <sup>th</sup> Floor, Atlanta Centre, Opp.Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063.	U72200MH2007PLC172069	Associate	20.10	2 (6)
8.	<b>Networth Financial Services Limited</b> Office no.901/902, 9 <sup>th</sup> Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063	U65990MH2004PLC147970	Associate	45.32	2 (6)

## MONARCH NETWORK CAPITAL LIMITED

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

#### i. Category-wise Shareholding:

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			
<b>A. Promoter</b>									
<b>(1) Indian</b>									
(a) Individual /HUF	18832287	0	18832287	62.13	18532287	0	18532287	61.14	1.59
(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
<b>Sub-total (A)(1)</b>	<b>20239287</b>	<b>0</b>	<b>20239287</b>	<b>66.77</b>	<b>19939287</b>	<b>0</b>	<b>19939287</b>	<b>65.78</b>	<b>1.48</b>
<b>(2) Foreign</b>									
(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
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of promoters (A)</b>	<b>20239287</b>	<b>0</b>	<b>20239287</b>	<b>66.77</b>	<b>19939287</b>	<b>0</b>	<b>19939287</b>	<b>65.78</b>	<b>1.48</b>
<b>B. Public</b>									
(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	9155	0	9155	0.03	420000	0	420000	01.39	4487.65
(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	0.00
<b>Sub-total (B)(1)</b>	<b>308000</b>	<b>300</b>	<b>308300</b>	<b>1.02</b>	<b>718845</b>	<b>300</b>	<b>719145</b>	<b>02.37</b>	<b>133.26</b>
<b>(2) Non Institutions</b>									
(a) Bodies Corp.	4639285	11651	4650936	15.34	4679678	11651	4691329	15.48	0.87
(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. 1Lakh	1762100	253636	2015736	6.65	1771932	252130	2024062	6.68	0.41
(ii) Individual shareholders holding nominal share capital in excess of Rs.. 1Lakh	2641965	0	2641965	8.72	2476431	0	2476431	8.17	-6.26
<b>(c)Others</b>									0.00
NRI-Repatriable& Non Repatriable	113551	0	113551	0.37	108786	0	108786	0.36	-4.20
Hindu Undivided Family	350455	0	350455	1.16	296306	0	296306	0.98	-15.45
Clearing Members	525	0	525	0.00	56254	0	56254	0.19	99.09
Qualified Foreign Investor-Corporate	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2)</b>	<b>9507881</b>	<b>265287</b>	<b>9773168</b>	<b>32.24</b>	<b>9389387</b>	<b>263781</b>	<b>9653168</b>	<b>31.85</b>	<b>-1.22</b>
<b>Total Public Shareholding(B)</b>	<b>9806726</b>	<b>265587</b>	<b>10072313</b>	<b>33.23</b>	<b>10108232</b>	<b>264081</b>	<b>10372313</b>	<b>34.22</b>	<b>2.97</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>30046013</b>	<b>265587</b>	<b>30311600</b>	<b>100.00</b>	<b>30047519</b>	<b>264081</b>	<b>30311600</b>	<b>100.00</b>	<b>0.00</b>

## ii. Shareholding of Promoters and Promoters' Group:

Sr. No.	Shareholders 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 Pedged / encum bered to total shares	No. of Shares	% of Total Shares of the Company*	% of Shares Pedged / encum bered to total shares	
1.	Mr. Suresh P Jain	3292137	10.86	0	2992137	09.87	0	1.00
2.	Mrs. 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.	Mrs. Hemangi 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.	Mrs. 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.	Mrs. 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.	Mrs. Bela 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
<b>Total</b>		<b>20239287</b>	<b>66.77</b>	<b>0</b>	<b>19939287</b>	<b>65.78</b>	<b>0.00</b>	<b>0.00</b>

## 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	<b>Mr. Suresh P Jain</b>	3292137	10.86		
	a) At the Beginning of the Year				
	b) Changes during the Year				
	1) Sold - 15/06/2016	(1,50,000)	0.49	3142137	10.37
	2) Sold - 20/10/2016	(1,50,000)	0.49	2992137	09.87
	c) At the end of the Year			2992137	09.87
2	<b>Mrs. Kanta Suresh Jain</b>				
	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	<b>Mr. Raj Bhandari</b>				
	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	<b>Mrs. Hemangi Shah</b>				
	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	<b>Mr. Ashok Bafna</b>				
	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*
6	<b>Mr. Shailen Shah</b>				
	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
7	<b>Mrs. Kinnari Shah</b>				
	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	<b>Mr. Himanshu Shah</b>				
	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	<b>Mrs. ManjuBafna</b>				
	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	<b>Mr. Bankim Shah</b>				
	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	<b>Mrs. Bela Shah</b>				
	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	<b>Mr. Suresh Bafna</b>				
	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	<b>Mr. Vaibhav Shah</b>				
	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	<b>M/s. Simandhar Securities Pvt. Ltd.</b>				
	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.	For each of the top 10 shareholders Shareholding at the	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	<b>Metaphor Realty Investments Pvt. Ltd.</b>				
	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	<b>DSP HMK Holdings Pvt. Ltd.</b>				
	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	<b>Spot Light Securities Pvt. Ltd.</b>				
	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	<b>Fruition Venture Limited</b>				
	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	<b>M/s. Punjab National Bank</b>				
	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
6	<b>M/s. Innovate Derivatives Pvt. Ltd.</b>				
	a) At the Beginning of the Year	162500	0.54		
	b) Changes during the Year				
	1) Purchase-16.09.2016	24167	0.08	186667	0.61
	2) Purchase-24.03.2017	17945	0.06	204612	0.68
	c) At the end of the Year			204612	0.68
7	<b>Ms. Usha Mahendra Sanghvi</b>				
	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
8	<b>M/s. Teletec Finsec India Pvt. Ltd.</b>				
	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
9	<b>Mr. Hemant Rajendra Shah</b>				
	a) At the Beginning of the Year	255245	0.84		
	b) Changes during the Year				
	1) Sold: 03.06.2016	(105245)	(0.34)	150000	0.49
	2) Purchase-10.06.2016	105245	0.34	255245	0.84
	3) Purchase- 15/07/2016	6100	0.02	261345	0.86
	4) Purchase-25/11/2016	2000	0.01	263345	0.87
	5) Sold: 03/03/2017	(255245)	(0.84)	8100	0.02
	6) Purchase-10/03/2017	73629	0.24	81729	0.27
	7) Sold:17/03/2017	(70420)	(0.23)	11309	0.04
	c) At the end of the Year			11309	0.04

**MONARCH NETWORK CAPITAL LIMITED**

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*
10	<b>Mr. Prakash M Sanghvi</b>				
	a) At the Beginning of the Year	188187	0.62		
	b) Changes during the Year	No Changes during the year			
	c) At the end of the Year			188187	0.62
11	<b>Ms. Pushpaben Gadhecha</b>				
	a) At the Beginning of the Year	134750	0.44		
	b) Changes during the Year	No Changes during the year			
	c) At the end of the Year			134750	0.44
12	<b>M/S. Nomura Singapore Limited</b>				
	a) At the Beginning of the Year	0	0		
	b) Changes during the Year	No Changes during the year			
	Purchase: 17/03/2017	280000	0.92	280000	0.92
	Purchase: 31/03/2017	140000	0.46	420000	1.39
	c) At the end of the Year			420000	1.39

**V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No.	For each of the Directors and KMPs	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company*
1	<b>Mr. Vaibhav Shah</b>				
	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	<b>Mrs. Manju Bafna</b>				
	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
3	<b>Mr. Chetan Bohra</b>				
	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
4	<b>Mr. Mayukh Pandya</b>				
	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
5	<b>Mr. Shailesh Desai</b>				
	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	<b>Ms. Sophia Jain, CS</b>				
	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	<b>Mr. Ashok Bafna, CFO</b>				
	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 to outstanding /accrued but not due for payment:

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	65144739	161954116	30658414	257757269
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>65144739</b>	<b>161954116</b>	<b>30658414</b>	<b>257757269</b>
<b>Changes in indebtedness during the financial year</b>				
> Addition	2432925	-	15622350	18055275
> Reduction	(24942980)	(157385996.50)	-	(182328976.50)
<b>Net Change</b>	<b>(22510055)</b>	<b>(157385996.50)</b>	<b>15622350</b>	<b>(6887705)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	42634684	4568119.50	46280764	93483568.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>42634684</b>	<b>4568119.50</b>	<b>46280765</b>	<b>93483568.50</b>

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

Particulars of Remuneration	Mr. Vaibhav Shah Managing Director	Mrs. Manju Bafna Whole-Time Director	Total Amount (in ₹)
Gross Salary:			
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	30,72,456	3,43,975	34,16,431
(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	-	-	-
<b>Total</b>	<b>30,72,456</b>	<b>3,43,975</b>	<b>34,16,431</b>
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:**

Particulars of Remuneration	Mr. Mayukh Pandya	Mr. Shailesh Desai	Mr. Chetan Bohra	Total Amount (in ₹)
1 Sitting Fees	Nil	Nil	Nil	Nil
2 Commission				
- as % of profit				
- others, specify	Nil	Nil	Nil	Nil
3 Others, please specify	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Ceiling as per the Act	As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act.			

## MONARCH NETWORKTH CAPITAL LIMITED

### 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	4,70,449	4,20,000	8,90,449
(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	-	-	
<b>Total</b>	<b>4,70,449</b>	<b>4,20,000</b>	<b>8,90,449</b>
<b>Ceiling as per the Act</b>	As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act.		

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief De- scription	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A</b>	<b>COMPANY</b>			None		
	Penalty/Punishment/Compounding					
<b>B</b>	<b>DIRECTORS</b>					
	Penalty/Punishment/Compounding					
<b>C</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty/Punishment/Compounding					

**ANNEXURE - II**  
**Form AOC-1**

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

**PART A - SUBSIDIARY COMPANIES**

( ₹ In Lacs)

Particulars	Monarch Networth Comtrade Limited	Networth Wealth Solutions Ltd.	Monarch Networth Finserve Pvt. Ltd.	Networth Insurance Broking Pvt. Ltd.	Monarch Networth Investment Advisors Pvt Ltd.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
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	110.46	(1082.39)	(226.58)	(0.72)	(9.49)
Total Assets	2904.43	59.66	5452.34	3.07	51.75
Total Liabilities	2653.90	1042.05	4878.92	2.79	11.24
Investments (except in subsidiary companies)	0.34	0.00	0.00	0.00	0.00
Total Turnover	442.43	33.20	608.51	0.00	0.00
Profit/(Loss) before Taxation	76.97	4.98	110.95	(0.08)	(4.95)
Provision for Taxation	(1.25)	0.00	0.34	0.00	0.00
Profit/(Loss) after Taxation	53.42	6.51	68.23	(0.08)	(4.95)
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 :  
**Monarch Networth Capital IFSC Private Limited**
- Names of subsidiaries which have been liquidated or sold during the year: None

**PART B - ASSOCIATES AND JOINT VENTURES**

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

( ₹ In Lacs)

Sr No.	Name of the Associates	Networth Financial Services Limited	Networth SoftTech Ltd.
1	Latest audited Balance Sheet Date	31.03.2017	31.03.2017
2	Shares of Associate/Joint Ventures held by the company on the year end No. of shares	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	-0.2	-11.68
	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: 04th September, 2017

**Vaibhav Shah**  
Chairman cum  
Managing Director

**Manju Bafna**  
Whole Time- Director

**Ashok Bafna**  
Chief Financial  
Officer

**Sophia Jain**  
Company Secretary &  
Compliance Officer

**ANNEXURE III  
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. Vaibhav Shah	23.22:1
2	Ms. Manju Bafna	2.60:1
3	Mr. Chetan Bohra	NA
4	Mr. Mayukh Pandya	NA
5	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	0.00		
2	Mrs. Manju Bafna	80.69		
3	Mr. Ashok Bafna	0		
4	Ms. Sophia Jain	27.77		
(iii)	The percentage increase in the median remuneration of employees in the financial year	12		
(iv)	The number of permanent employees on the rolls of the Company	794		
v.	Particulars	As on 31 <sup>st</sup> March, 2017	As on 31 <sup>st</sup> March, 2017	Variation %
1	Market Capitalization	45.00	28.70	56.79
2	Price earning ratio	18.67	179.37	-89.59
3	Market quotation of shares	The Company's stock price as at 31st March, 2017 has increased by 350% to ₹ 45.00/- over the last public offer i.e. IPO in 1995 at a price of ₹ 10/- per share.		
(vi)	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 12%		
(vii)	Statement Pursuant To Rule 5(2) Of Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014	Attached as Annexure A		

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: 04th September, 2017	Vaibhav Shah <b>Chairman cum                  Managing Director</b>	Mayukh Pandya <b>Chairman of Nomination and                  Remuneration Committee</b>
---	--	--

**STATEMENT PURSUANT TO RULE 5(2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 :**

Details of all the employees who holds more than 2% or more of the paid up equity share capital of the company along with their spouse and dependent children and who were in receipt of remuneration for financial year 2016-2017, in excess of that drawn by the Managing Director or Whole-Time Director:

S r . No	Name Of Employee	Designation	Remu- neration Received (₹) (per annum	Qualifications And Experience	D a t e O f J o i n - i n g	Age	The Last Employ- ment Held	The Percentage Of Equity Shares Held (Including spouse and dependent children)
1	Bankim Jayantilal Shah	Operation Head	30,72,456	B.Com/ More than 20 years in Securities market & 11 years in commodity derivates	01/01 /2015	43Years	Monarch Research and Brokerage Pvt. Ltd.	7.61
2	Ashok Daulatraj Bafna	Chief Financial Officer	4,20,000	B.Com/ More than 20Years of experience in Capital Market.	13/02/ 2015	45Years	Monarch Project & Finmarkets sts Ltd	2.32
3	Shailen Ramesh Shah	President- Institutional Desk	3,63,000	12th Pass /More than 20 Years of experience in Capital Market & Institutional Desk	14/11/ 2014	42Years	Monarch Project & Finmarkets Ltd	2.32

## Notes:

1. Remuneration comprises salary, allowances, commission, performances based payments, perquisite and company's contribution to PF & Super- annuation as per the definition contained in section 2 (72) of the Companies Act, 2013 paid during the year.
2. The nature of employment is permanent in all the above cases.
3. Mr. Bankim Shah, who is in the employment of the Company is brother of Mr. Vaibhav Shah, Managing Director of the Company.

**ANNEXURE-IV**

**FORM MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration of Managerial 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 31st March, 2017 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 31st March, 2017 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-laws 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) 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;
  - (e) 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;
  - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
  - (g) 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;
  - (h) 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. Bombay Shops and Establishments Act, 1948;
  - ii. Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975;
  - iii. The Employee Provident Fund and Miscellaneous Provisions Act, 1952;
  - iv. The Payment of Gratuity Act, 1972;

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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. *Pending charges showing on Ministry of Corporate Affair website have already been satisfied by the company but forms for charge satisfaction has not filled to Registrar of Companies.*

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.
- ¢ 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.
- ¢ Decisions at the Board Meetings and Committee Meetings were taken unanimously and are captured and recorded as part of the minutes of the meetings.

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.

**For VKM & Associates**  
Practicing Company Secretary

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

Date : 04/09/2017  
Place : Mumbai

**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.

The Company is in compliance with the requirements of Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2017, the Board of Directors comprised of 5 (Five) directors out of which 3 (Three) were Non-Executive Directors/Independent Directors and 2 (Two) Executive 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, 2017 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 at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2017 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 2016-17, 13 (Thirteen) meetings of Board of Directors were held on viz., 21st April, 2016, 30th May, 2016, 25th July, 2016, 12th August, 2016, 03rd September, 2016, 03rd October, 2016, 24th October, 2016, 14th November, 2016, 12th December, 2016, 09th January, 2017, 31st January, 2017, 13th February, 2017 and 01st March, 2017.

The details of composition of the Board of Directors, their attendance at each Board meeting held during the financial year 2016-2017 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	No. of Board Meetings	Whether attended	As on 31 <sup>st</sup> March, 2017 (Excluding position in the Company)		
					No. of Directorships	Committee	
						Chair-man-ship(s)	Membership(s)
Mr. Vaibhav J. Shah	C/P/MD/ED	13	13	Yes	0	-	-
Mrs. Manju S. Bafna	P/ED	13	13	Yes	1	-	-
Mr. Mayukh Pandya	I/NED	13	13	No	2	-	4
Mr. Shailesh Desai	I/NED	13	13	No	2	1	2
Mr. Chetan Bohra	I/NED	13	13	No	0	-	-

The necessary quorum was present for all the meetings.

**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 13th February, 2017 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](http://www.mnclgroup.com)

- x. During the year 2016-17, 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, 2017 are given below:

Name	Category	Number of equity shares
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:

## MONARCH NETWORK CAPITAL LIMITED

- ❖ 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, 2017; the Audit Committee consists of 3(Three) Non-Executive/Independent Directors.
- e) During the financial year 2016-17, the members of Audit Committee met 09 (Nine) times on 30th May, 2016, 12th August, 2016, 03rd September, 2016, 14th November, 2016, 12th December, 2016, 09th January, 2017, 31st January, 2017, 13th February, 2017 and 01st March, 2017. The Composition and attendance of the members of the Audit Committee during the financial year 2016-17 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya	Chairman	9	9
Mr. Shailesh Desai	Member	9	9
Mr. Chetan Bohra	Member	9	9

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

- 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.
- 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-commendation, appointment of Directors and other senior managerial employees and also on the remuneration, and such other related provision as applicable.

## 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 2016-17, the members of Nomination and Remuneration Committee met 4 (Four) times on 30th May, 2016, 12th August, 2016, 14th November, 2016 and 13th February, 2017.
- d) The composition and attendance of the members of the Nomination and Remuneration Committee during the financial year 2016-17 was as follows:

**Name Designation Number of Meetings Held Meetings Attended**

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya	Chairman	4	4
Mr. Shailesh Desai	Member	4	4
Mr. Chetan Bohra	Member	4	4

**1. Selection:**

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

**2. Remuneration:**

● **Remuneration of Executive Directors:**

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

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

- i. The relationship of remuneration and performance benchmarks

## MONARCH NETWORK CAPITAL LIMITED

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

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

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

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

- **Remuneration of Senior Management Employees:**

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

- i. The relationship of remuneration and performance benchmark;
- ii. The components of remuneration includes salaries, perquisites and retirement benefits;
- iii. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-a-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 2016-17 are as follows:

Name	Category	Salary	Perquisites or Allowances	Stock Options	Sitting Fees*	Total	No. of shares held
Mr. Vaibhav J. Shah	Chairman & Managing Director	30,72,456	-	-	-	30,72,456	27,12,000
Mrs. Manju S. Bafna	Executive Director	3,43,975	-	-	-	3,43,975	15,07,500
Mr. Mayukh Pandya	Independent Director	-	-	-	-	-	-
Mr. Shailesh Desai	Independent Director	-	-	-	-	-	-
Mr. Chetan Bohra	Independent Director	-	-	-	-	-	1,500

\* 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 2016-17, the members of Stakeholders' Relationship Committee met 4 (Four) times on 30th May, 2016, 12th August, 2016, 14th November, 2016 and 13th February, 2017.

d) The Composition and attendance of the members of the Stakeholders' Relationship Committee during the financial year 2016-17 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya	Chairman	4	4
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 2016-17 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. 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
2015-16	23rd	30th September, 2016	12.00 p.m.	Jayleela Banquet, Opp. Railway Nagar, Sonawala Road, Goregaon (East), Mumbai - 400 063, Maharashtra
2014-15	22nd	30th September, 2015	12.30 p.m.	Jayleela Banquet, Opp. Railway Nagar, Sonawala Road, Goregaon (East), Mumbai - 400 063, Maharashtra
2013-14	21st	31st December, 2014	12.30 p.m.	Kilachand Conference Room, 2nd 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
30th September, 2016	No Special Resolution passed.
30th September, 2015	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
31st December, 2014	1. Adoption of new set of Articles of Association 2. Increase in borrowing powers of Company upto ₹ 500 Crores under Section 180(1)(c) of the Companies Act, 2013 3. Authorized the Board of Directors of the Company under Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or create charge on the immovable/movable properties of the Company. 4. Increase in powers of Company under Section 186 to give loan to any person or body corporate uptoRs.500 Crores.

## MONARCH NETWORKTH CAPITAL LIMITED

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.

### V. 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 "Business Standard"(English) and Apla Mahanagar (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, 2017 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.

### VI. GENERAL SHAREHOLDER'S INFORMATION:

#### a. Annual General Meeting for Financial year 2016-17:

Date	: 29th September, 2017
Day	: Friday
Time	: 12.00 p.m.
Venue	: Supreme Hospitality, Ozone Activity Centre, Prabhodhan Goregaon, Siddharth Nagar, Goregaon(West) Mumbai-400104

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 29th September, 2017.

#### b. Financial Calendar:

Financial Year:	1st April to 31st March
AGM in:	September
Financial Calendar (Provisional for 2017-18):	

Subject Matter	Tentative Dates of the Board Meeting
First Quarter Results	On 04th September, 2017.
Second Quarter Results	By 14th November, 2017.
Third Quarter Results	By 14th February, 2018.
Fourth Quarter/ Yearly Results	By 30th May, 2018.(Audited Results)

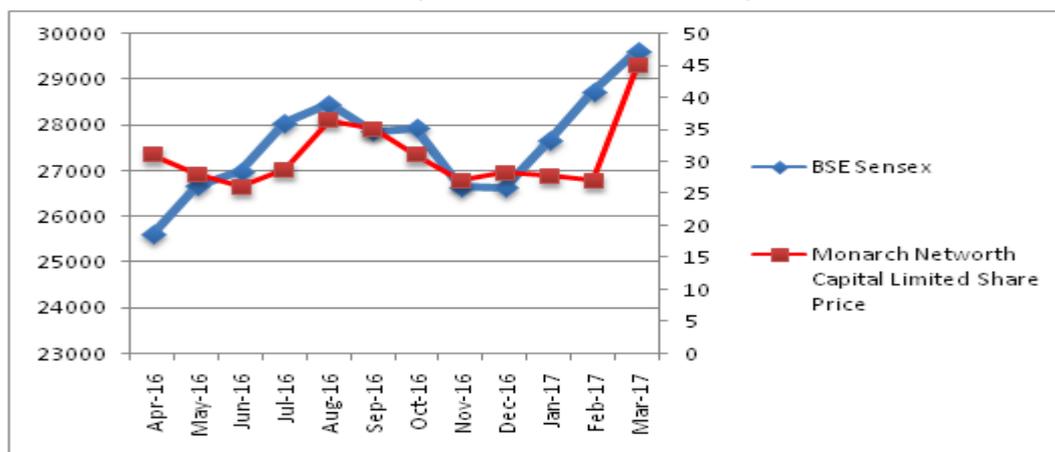
- Date of Book Closure/Record Date:** 25th September, 2017 to 29th September, 2017.
- Listing on Stock Exchange:** The Equity Shares of the Company are listed on the BSE Limited. Listing Fees as applicable have been paid.
- Stock Code & ISIN:**  
**Stock Code:** 511551,  
**Demat ISIN Number in NSDL & CDSL:** INE903D01011
- Corporate Identity Number (CIN) of the Company:** L65920MH1993PLC075393
- Market Price Data:**

High & Low price of the Equity Shares of the Company at BSE Ltd. during each month for the year 2016-17 as compared to BSE SENSEX points are as follows:

Month	Price on BSE(₹)		BSE Sensex (Points)*	
	High	Low	High	Low
April 2016	32.30	28.00	26100.54	24523.2
May 2016	30.30	27.00	26837.2	25057.93
June 2016	30.90	23.50	27105.41	25911.33
July 2016	29.90	25.95	28240.2	27034.14
August 2016	42.00	27.00	28532.25	27627.97
September 2016	41.50	32.00	29077.28	27716.78
October 2016	36.70	30.00	28477.65	27488.3
November 2016	32.90	23.55	28029.8	25717.93
December 2016	30.80	25.25	26803.76	25753.74
January 2017	33.95	26.15	27980.39	26447.06
February 2017	29.90	25.65	29065.31	27590.1
March 2017	45.10	25.45	29824.62	28716.21

\*Source: www.bseindia.com

## h. Performance of Monarch Network Capital Limited Share Price in comparison with BSE Sensex :



\*Source: www.bseindia.com

## Registrars and Transfer Agents details:

Name & Address:

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 Website: www.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, 2017:

## i. Distribution Schedule as on 31st March, 2017:

Slab of Shares Holding		Number of Share Holders	%tototal number of holders	Total Number of Shares	%to total Number of Shares
From	To				
1	500	3858	80.71	5909060	1.95
501	1000	372	7.78	3152220	1.04
1001	2000	176	3.68	2815800	0.93
2001	3000	101	2.11	2581050	0.85
3001	4000	46	0.96	1659530	0.55
4001	5000	38	0.79	1773000	0.58
5001	10000	69	1.44	5322630	1.76
10001 and above		120	2.51	279902710	92.34
<b>TOTAL</b>		<b>4780</b>	<b>100.00</b>	<b>30311600</b>	<b>100.00</b>

## ii. Categories of equity shareholding as on March 31, 2017:

Categories	No of Shareholders	No. of Shares	% of shareholding
Promoters	14	19939287	65.78
Foreign Portfolio Investors	1	420000	1.39
Financial Institution/Banks	2	299145	0.99
FII's	0	0	0
Non- Resident Indians	13	108786	0.35
Bodies Corporate	110	4611263	15.21
Indian Public	4640	4933119	16.28
<b>Total</b>	<b>4780</b>	<b>30311600</b>	<b>100.00</b>

## MONARCH NETWORK CAPITAL LIMITED

### iii. Dematerialization of Equity Shares and Liquidity

As on 31st March, 2017, 99.13% 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.

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

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

#### k. Commodity price risk or foreign exchange risk and hedging activities:

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

#### l. 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. Udyog Bhavan,  
Sonawala Road, Goregaon (East), Mumbai-400063  
Telephone: 022-30641600 Fax No: 022-26850257  
Email: reachus@mnclgroup.com Website: www.mnclgroup.com

## VII. 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, 2017 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](http://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 except as stated in Annexure B. Further, no strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities as per Listing Compliances.

#### 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 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.co

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. No person has been denied access to the Chairman of the Audit Committee.

The Whistle Blower Policy is available on the website of the Company viz., [www.mnclgroup.com](http://www.mnclgroup.com)

#### e. 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>.

#### f. The Company has also complied with the following requirements:

- Shareholders' Rights: As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- Audit qualifications: Company's financial statements are unqualified.
- Reporting of Internal Auditor: The Internal Auditors of the Company reports to the Audit Committee

**g. 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.

**h. 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.

**i. There are no shares lying in Demat Suspense account/ unclaimed suspense account****j. 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](http://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.

**k. Subsidiary Companies:** The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. 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..

As on 31st March, 2017, the Company had following subsidiaries:

1. Monarch Network Comtrade Limited
2. Network Wealth Solutions Limited
3. Monarch Network Finserve Private Limited
4. Network Insurance Broking Private Limited
5. Monarch Network Investment Advisors Pvt Ltd.
6. Monarch Network Capital IFSC Private Limited (Incorporated on 14.03.2017)

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

The Company has a policy for determining 'material subsidiaries which is disclosed on the website at [www.mnclgroup.com](http://www.mnclgroup.com)

**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, 2017.

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

**Place: Mumbai**  
Date: 04th September, 2017

**Vaibhav Shah**  
Chairman cum Managing Director

**Annexure B**

<b>Date</b>	<b>Details of the case</b>	<b>Observation summary</b>	<b>Name of Statutory Authority</b>	<b>Strictures/Penalties imposed Monetary Penalty of ₹276500/-</b>
02/11/2015	Regular inspection in Future & Options Segment, Currency & Derivative Segment and Cash Market Segment Conducted during September 2014	a. Unexplained use of funds raised by pledging client's securities with banks. b. Observation pertaining to settlement. c. Operation of trading terminals other than by approved users d. error in upload of terminals to the Exchange (Location Mismatch) e. Non Provision of the margin trail for Future & Option margin Verification	NSE	Monetary Penalty of ₹ 276500/-
07/01/2016	Limited Purpose Inspection in Future & Options Segment, Currency & Derivative Segment and Cash Market Segments conducted during February 2015	a. Operation of Terminals from a location other than declared to the Exchange b. Non display of Notice Board and SEBI Registration Certificate the Inspection Locations	NSE	Monetary Penalty of ₹ 60000/- for the violations pertaining Terminals Operated from a location other than declared to the Exchnage and Non display of Notice Board and SEBI registration certificate the Inspection Locations.
31/08/2016	SEBI conducted inspection of Books of accounts, documents and other record for the period April,1 2012 to Oct, 16,2014.	Violations of the following provisions: i) Clause (A2), (A5) of the code of conduct as specified in schedule II read with Regulations 7 of the SEBI ( Stock Brokers and Sub brokers ) Regualtions,1992 (herinafter referred to as 'Broker Regulations, 1992) (after the amendment, Regulation 9 (f) of the SEBI (Stock Broker and subbroker) (Second amendment) Regulations, 2013), ii) SEBI circular no. MIRSD/SE/ Cir-19/2009 dated December 3,2009 iii) SEBI circular no. MIRSD/ Cir/01/ 2011 dated May 13,2011	SEBI	Monetary Penalty of ₹ 5,00,000/-
21/04/2016	SEBI - G G Automotives Gears Limited	The Whole Time Member (WTM) of SEBI has passed an order of suspension of BSE Registration Certificate in Cash Segment for a period 30 days on account of Synchronisation and Circular trading in the scrip of GG Automotives Gears Limited. The said order was challenged before the Securities Appellate Tribunal (SAT). The Hon'ble SAT was pleased to pass the order and dismissing the impugned order passed by the WTM.	SEBI	BSE Cash segment was suspended from 21/05/2016 to 20/06/2016.

**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 Network Capital Limited, for the year ended on 31st March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by 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 regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

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: 04th September, 2017

**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 2017 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, 2017

**Vaibhav Shah**  
Chairman cum Managing Director

**Ashok Bafna**  
Chief Financial Officer

## ANNEXURE VI.

### MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31st March, 2017. 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 OUT LOOK:

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 33 to the Consolidated Financial Statements.

#### SUBSIDIARY COMPANIES:

As on 31st March, 2017, the Companies had following subsidiaries:

1. Monarch Network Comtrade Limited
2. Network Wealth Solutions Limited
3. Monarch Network Finserve Private Limited
4. Network Insurance Broking Private Limited
5. Monarch Network Investment Advisors Pvt. Ltd.
6. Monarch Network Capital IFSC Private Limited (incorporated on 14th March, 2017)

#### 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, as per Listing Obligations and Disclosure Requirement Regulations, 2015 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, 2017 stood at 794.

**DISCUSSION ON FINANCIAL/OPERATIONAL PERFORMANCE (STANDALONE BASIS):**

Particulars	2016-17	2015-16	2014-15
Total Revenue	585,807,456	455,364,156	534,032,374
EBIDTA	123,063,333	13,854,362	132,781,766
PBT	95,242,575	(49,38,236)	44,380,876
PAT	73,109,930	47,61,456	28,531,202
EPS	2.41	0.16	0.94

**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.

**INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS**

To  
The Members of,  
**MONARCH NETWORTH CAPITAL LIMITED**  
(Formerly known as **NETWORTH STOCK BROKING LIMITED**)

**Report on the 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, 2017, 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 2017, 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, 2017, 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 30,34 & 35 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.
  - IV. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

**For Parekh Lodha & Co**  
Chartered Accountants  
Firm Reg. No. 107487W

**Ashutosh Dwivedi**  
(Partner)  
M. No. 410227

Date: - 30th May, 2017  
Place: - Mumbai

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to paragraph (1) under "Report on other legal and regulatory requirements of our 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.
  - 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 Statute	Amount (Rs. in Lakhs)	Period to which the amount related	Forum where dispute is Pending
1	Income Tax	8.54	A.Y. 2002-03	First Appellate Authority
	Income Tax	82.67	A.Y. 2009-10	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 Statute	Amount (Rs. in Lakhs)	Period to which the amount related	Forum where dispute is Pending
2	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	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

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

Sr. No	Name of Statue	Amount (Rs. in Lakhs)	Period to which the amount related	Forum where dispute is Pending
4	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
5	Service Tax	6.76	A.Y. 2005-07	Pending With Commissioner (Appeals) of Service Tax

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 Lodha & Co**  
Chartered Accountants  
Firm Reg. No. 107487W

**Ashutosh Dwivedi**  
(Partner)  
M. No. 410227

Date: - 30th May, 2017  
Place: - Mumbai

# MONARCH NETWORK CAPITAL LIMITED

## 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 NETWORK CAPITAL LIMITED (Formerly known as NETWORK STOCK BROKING LIMITED)** ("the Company") as of March 31, 2017 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, 2017, 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 Lodha & Co**  
Chartered Accountants  
Firm Reg. No. 107487W

**Ashutosh Dwivedi**  
(Partner)  
M. No. 410227

Date: - 30th May, 2017  
Place: - Mumbai

AUDITED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

(Figures in ₹)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>A. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	3	303,116,000	303,116,000
(b) Reserves and Surplus	4	330,875,042	257,838,527
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	2,432,925	586,546
(a) Other Long term liabilities	6	46,280,765	30,658,414
(b) Long term provisions	7	13,145,001	12,229,581
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowings	8	44,769,879	226,512,309
(b) Trade payables	9	743,707,909	382,786,777
(c) Other current liabilities	10	14,014,412	11,915,363
(d) Short-term provisions	11	40,866,368	25,462,447
	<b>Total</b>	<b>1,539,208,300</b>	<b>1,251,105,964</b>
<b>B. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets:	12		
(i) Tangible assets		30,141,905	30,844,589
(ii) Intangible assets		6,660,605	8,780,580
(b) Non-current investments	13	150,000,087	151,922,145
(c) Deferred tax assets (net)	14	42,867,886	48,164,531
(d) Long term loans and advances	15	283,893,463	287,965,708
<b>(2) Current assets</b>			
(a) Inventories	16	128,268,233	123,658,326
(b) Trade receivables	17	460,520,026	334,369,900
(c) Cash and Bank balances	18	325,186,129	190,317,989
(d) Short-term loans and advances	19	111,669,967	75,082,196
	<b>Total</b>	<b>1,539,208,300</b>	<b>1,251,105,964</b>

**Significant Accounting policies**

The accompanying Notes from 28 to 39 are an integral part of Financial Statements.

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 Finance Officer)

**Sophia Jain**

(Company Secretary )

Place : Mumbai  
Date :30th May-2017Place : Mumbai  
Date :30th May-2017

**MONARCH NETWORK CAPITAL LIMITED**
**AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

(Figures in ₹ )

Particulars	Note No.	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
1. Revenue from operations	20	540,984,136	436,406,738
2. Other Income	21	44,823,319	18,957,418
<b>3. Total Revenues (1+2)</b>		<b>585,807,456</b>	<b>455,364,156</b>
<b>4. Expenses:</b>			
(a) Employee benefit expense	22	150,508,607	138,508,850
(b) Operating Expenses	23	184,935,027	145,183,909
(c) Administrative, Selling and Distribution Expenses	24	96,557,911	95,484,452
(d) Financial costs	25	29,569,758	59,827,542
(e) Depreciation and amortization expense	12	17,475,189	18,035,157
(f) Other expenses	26	1,172,820	2,505,043
<b>Total Expenses</b>		<b>480,219,312</b>	<b>459,544,951</b>
<b>5. Profit / (Loss) Before Exceptional and Extraordinary Items and Tax ( 3-4)</b>		<b>105,588,144</b>	<b>(4,180,795)</b>
6. Exceptional and Extraordinary Items/ Prior Period Adjustments		(10,345,569)	(757,441)
<b>7. Profit /(Loss) before tax (5+6)</b>		<b>95,242,575</b>	<b>(4,938,236)</b>
<b>8. Tax expense:</b>			
(a) Current tax		16,836,000	-
(b) Deferred tax		5,296,645	1,980,308
(c) Short/Excess Provision of tax		-	(11,680,000)
<b>Total Tax Expense</b>		<b>22,132,645</b>	<b>(9,699,692)</b>
<b>9. Profit /(Loss) for the year ( 7-8)</b>		<b>73,109,930</b>	<b>4,761,456</b>
10. Earning per equity share: ( Face Value ₹ 10)	27		
(1) Basic		2.41	0.16
(2) Diluted		2.41	0.16

**Significant Accounting policies**

The accompanying Notes from 28 to 39 are an integral part of Financial Statements.

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 Finance Officer)

**Sophia Jain**

(Company Secretary )

Place : Mumbai

Date :30th May-2017

Place : Mumbai

Date :30th May-2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

(Figures in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit before tax and extraordinary Items</b>	<b>95,242,575</b>	<b>(4,938,236)</b>
Adjustments for		
Depreciation	17,475,189	18,035,157
Gratuity Provision	-	-
Finance Expenses	29,569,758	59,827,542
Loss on assets sold/discarded	110,563	667,561
Dividend Received	(297,386)	(425,264)
Interest Received	(26,627,544)	(16,660,292)
Profit on Sale of Investment	(143,336)	-
<b>Operating profit before working capital changes</b>	<b>115,329,819</b>	<b>56,506,468</b>
Adjustments for		
Decrease (Increase) in Trade and other Receivables	(163,275,560)	169,156,461
Increase (Decrease) in Trade Payable and Provisions	394,888,456	(79,772,597)
<i>Cash Generated from operations</i>	<i>346,942,715</i>	<i>145,890,332</i>
Income Tax Provided For The Year	(16,836,000)	11,680,000
Prior Period Items	-	-
<b>Net Cash From Operating Activities</b>	<b>330,106,715</b>	<b>157,570,332</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(14,944,475)	(9,399,991)
Sale of Fixed Assets	181,385	65,312
Purchase of Shares/ Mutual Funds	-	(30,000,000)
Sales of Shares/ Mutual Funds	2,065,394	-
Interest Received	26,627,544	16,660,292
Dividend Received	297,386	425,264
<b>Net Cash from Investing Activities</b>	<b>14,227,234</b>	<b>(22,249,123)</b>
<b>C. Cash flow From Financing Activities</b>		
Finance Expenses	(29,569,758)	(59,827,542)
Loan Funds	(179,896,051)	(88,549,262)
<b>Net Cash used in Financing Activities</b>	<b>(209,465,809)</b>	<b>(148,376,804)</b>
<i>Net Increase in Cash &amp; Cash Equivalents</i>	<i>134,868,140</i>	<i>(13,055,595)</i>
<i>Opening Balance of Cash &amp; Cash Equivalents</i>	<i>190,317,989</i>	<i>203,373,584</i>
<i>Closing Balance of Cash &amp; Cash Equivalents</i>	<i>325,186,129</i>	<i>190,317,989</i>

## 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 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 Finance Officer)

**Sophia Jain**

(Company Secretary )

Place : Mumbai

Date :30th May-2017

Place : Mumbai

Date :30th May-2017

# MONARCH NETWORK CAPITAL LIMITED

## NOTES FORMING PARTS OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017.

### 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.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) **Accounting for Amalgamation**

For the Financial year 2016-17, 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 are recorded by the transferee company at their existing carrying amounts.

The amalgamation being in the nature of merger, the identity of the reserves are preserved and the reserves appear in the financial statements of the transferee company in the same form in which they appeared in the financial statements of the transferor companies.

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 are adjusted.

#### b) **Basis of Accounting and preparation of financial statements**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act 2013. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

#### c) **Use of Estimates**

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

#### d) **Revenue Recognition**

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

#### e) **Fixed Assets**

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

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

#### f) **Depreciation and Amortisation**

Depreciation on Fixed Assets has been provided on pro-rata basis on straight line method at the rates prescribed by Schedule II to the New Companies Act, 2013 from the month following the month of purchase/acquisition of assets.

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

**j) 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.

## MONARCH NETWORK CAPITAL LIMITED

### Note 3 Share Capital

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

Particulars	(Figures in ` )	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Authorised Share Capital*</b>		
5,00,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- Each (P.Y. 5,00,000)	50,000,000	50,000,000
Redeemable Preference Shares of Rs. 10 each	60,00,000.00	60,00,000.00
60,00,000 Preference shares of Rs.10 each		
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
<b>ISSUED Subscribed &amp; Paid up Share Capital</b>		
303,11,600 Equity Shares of ₹10/- Each (P.Y. 30311600)	303,116,000	303,116,000
<b>Total</b>	<b>303,116,000</b>	<b>303,116,000</b>

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

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	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	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,311,600	303,116,000	11,231,600	112,316,000

c. Terms / Rights attached to equity shares

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

During the year ended March 31<sup>st</sup>, 2017 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 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares of ₹10/- each fully paid</b>				
Mr. Suresh Jain	2992137	9.87	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	(Figures in ₹ )	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
a. Capital Reserves		
Opening Balance	15,163,560	15,163,560
<b>Closing Balance</b>	<b>15,163,560</b>	<b>15,163,560</b>
b. Securities Premium Account		
Opening Balance	296,652,896	296,652,896
<b>Closing Balance</b>	<b>296,652,896</b>	<b>296,652,896</b>
c. <b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
<b>Opening Balance</b>	<b>(87,169,419)</b>	<b>(91,930,875)</b>
(+/-) : Net Profit /loss current year	73,109,930	4,761,456
<b>Closing Balance</b>	<b>(14,059,490)</b>	<b>(87,169,419)</b>
d. <b>Amalgamation Reserve Account</b>		
Opening Balance	33,191,490	33,191,490
<b>Closing Balance</b>	<b>33,191,490</b>	<b>33,191,490</b>
<b>Total</b>	<b>330,875,042</b>	<b>257,838,527</b>

**Note 5 Long-Term Borrowings**

Loan from Kotak Mahindra Prime Limited	-	586,546
Loan from ICICI Bank Ltd (secured against hypothecation of Vehicle)	2,432,925	-
<b>Total</b>	<b>2,432,925</b>	<b>586,546</b>

**Note-**Aforsaid 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**

Security Deposit from Business Associates	30,443,765	24,812,914
Client Deposit	15,837,000	5,845,500
<b>Total</b>	<b>46,280,765</b>	<b>30,658,414</b>

**Note 7 Long-Term Provisions**

Provision for Gratuity	13,145,001	12,229,581
<b>Total</b>	<b>13,145,001</b>	<b>12,229,581</b>

**Note 8 Short Term Borrowings**

(a) Overdraft from HDFC Bank (Secured against hypothecation of Office premises & Securities, and Personal guarantee of Key Management)	40,201,759	64,558,193
(b) Loans from shareholders - Other than promoter group	3,000,000	3,000,000
(c) Banks & Financial Institutions	1,568,120	158,954,116
<b>Total</b>	<b>44,769,879</b>	<b>226,512,309</b>

## MONARCH NETWORTH CAPITAL LIMITED

### Note 9 Trade Payables

Particulars	(Figures in ₹ )	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Sundry Creditors - Clients	397,773,245	99,050,639
Sundry Creditors - Others	4,872,214	6,917,847
<b>Other liabilities</b>		
Margin Payable to Clearing Member	341,062,450	276,818,291
<b>Total</b>	<b>743,707,909</b>	<b>382,786,777</b>

- 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 Other Current Liabilities

(a) Statutory Remittances	6,985,243	6,240,130
(b) Other Current Liabilities	7,029,168	5,675,233
<b>Total</b>	<b>14,014,412</b>	<b>11,915,363</b>

### Note 11 Short Term Provisions

<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	15,081,739	12,910,540
<b>(b) Others</b>		
Provision for Income Tax	16,836,000	7,600,887
Provision for CRS	650,000	-
Expenses payable outstanding	8,298,629	4,951,020
<b>Total</b>	<b>40,866,368</b>	<b>25,462,447</b>

## Note - 12 Fixed Assets

(Figures in ₹ )

Particulars	Gross Block			Accumulated Depreciation & Amortization			Net Block		
	As at 01/04/2016	Additions	Deletions/ Adjust- ments	As at 31/03/2017	As at 01/04/2016	Additions	Deletions	As at 31/03/2017	As at 31/03/2016
<b>1 Tangible Asset</b>									
a Improvement to Lease Assets	13,645,239	-	-	13,645,239	9,849,708	1,003,510	-	2,792,021	3,795,531
b Office Premises	-	-	-	-	-	-	-	-	-
c Air Conditioners	15,808,636	549,775	213,201	16,145,210	14,960,730	222,493	202,541	1,164,529	847,906
d Computer	106,531,113	6,652,451	742,858	112,440,706	92,429,795	6,437,423	712,760	14,286,248	14,101,318
e Furniture & Fixtures	34,584,371	701,341	564,202	34,721,510	27,627,738	3,681,769	534,630	3,946,633	6,956,633
f Vehicles	15,326,173	3,804,203	667,550	18,462,826	12,710,088	1,433,827	474,296	4,793,207	2,616,085
g Office Equipment	12,420,361	1,613,330	128,278	13,905,413	9,893,245	952,817	99,916	3,159,267	2,527,116
<b>Total - 1</b>	<b>195,881,412</b>	<b>13,321,100</b>	<b>2,316,089</b>	<b>209,320,904</b>	<b>167,471,304</b>	<b>13,731,839</b>	<b>2,024,143</b>	<b>30,141,905</b>	<b>30,844,589</b>
<b>2 Intangible Assets</b>									
a Computer Software	60,290,024	1,623,375	-	61,913,399	51,509,444	3,743,350	-	6,660,605	8,780,580
<b>Total - 2</b>	<b>62,724,505</b>	<b>1,623,375</b>	<b>-</b>	<b>61,913,399</b>	<b>51,509,443</b>	<b>3,743,350</b>	<b>-</b>	<b>6,660,605</b>	<b>8,780,580</b>
<b>Grand Total (1 + 2)</b>	<b>258,605,917</b>	<b>14,944,475</b>	<b>2,316,089</b>	<b>271,234,303</b>	<b>218,980,747</b>	<b>17,475,189</b>	<b>2,024,143</b>	<b>36,802,510</b>	<b>39,625,169</b>
Previous Year	250,181,706	11,834,472	3,410,261	258,605,917	201,856,058	18,038,157	910,468	39,625,169	

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

## MONARCH NETWORK CAPITAL LIMITED

### Note 13 Non-Current Investments

Particulars	Face Value	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		Numbers	Amount ₹	Numbers	Amount ₹
Non Trade Investments					
Unquoted					
(a) In Life Insurance policies	-		413,020		452,623
(b) In National Saving Certificates	-		4,000		4,000
(d) In Equity Shares - Fully Paid up Bombay Stock Exchange Limited	₹ 1	5,700	877	11,401	877
(e) In Equity Shares of Subsidiaries- Fully Paid up Monarch Network Comtrade Limites (Formerly Known as Network Commodities & investment Ltd.)	₹10	1,400,100	20,001,000	1,400,100	20,001,000
Networkh Wealth Solutions Ltd	₹10	1,000,000	10,000,000	1,000,000	10,000,000
Monarch Networkh Finserve Private Limited (Formerly Known as Ravisha Financial Services Pvt. Ltd)	₹10	7,999,900	92,922,205	7,999,900	92,922,205
Networkh Insurance Broking Pvt Ltd	₹ 10	10,000	100,000	10,000	100,000
Monarch Networkh Investment Advisors Pvt Ltd (Formerly Known as Monarch Insurance Broking Private Ltd)	₹10	499,000	4,999,000	499,000	4,999,000
(f) In Equity Shares of Associate Concern- Fully Paid up Networkh Financial Services Ltd.	₹10	949,400	9,494,000	949,400	9,494,000
Networkh SoftTech Ltd.	₹10	1,500,000	15,000,000	1,500,000	15,000,000
Quoted					
(a) Investments in Equity Shares - Fully Paid up					
Sadbhav Engeneering Ltd.	₹ 1	1,310	24,235	1,310	24,235
Indiabulls Limited		229,000	7,041,750	229,000	7,041,750
NTPC Limited		-	-	2,000	414,500
Power Grid Limited		-	-	13,700	1,467,955
<b>Total</b>			<b>160,000,087</b>		<b>161,922,145</b>
Less : Provision for diminution in the value of Investments			10,000,000		10,000,000
<b>Total</b>			<b>150,000,087</b>	<b>-</b>	<b>151,922,145</b>

**Note 14 Deferred Tax Assets (Net)**

(Figures in ₹ )

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Deferred Tax Assets</b>		
Difference of Net Block of Assets	9,998,830	9,527,222
Deferred Tax Assets		
Provision for doubtful debts	-	20,791,855
Provision for Diminution in Value of Investment	2,060,000	2,060,000
Provision for Gratuity	4,061,805	3,778,940
Unabsorbed Depreciation / C/f Loss	26,747,250	12,006,514
<b>Deferred Tax Assets (Net)</b>	<b>42,867,885.71</b>	<b>48,164,531.00</b>

**Note 15 Long-term Loans and Advances  
Unsecured considered good unless stated otherwise :****a. Security Deposits**

Deposit with Stock Exchange & Financial Institutions	76,715,576	54,326,406
Additional Base capital with Clearing Member	70,957,225	56,278,211

**b. Balance with Revenue Authorities**

Advance Income Tax & Service Tax	26,295,534	68,554,165
Advance Fringe Benefit Tax	2,058,456	2,058,456

**c. Other Deposits**

Deposits for Arbitration Order	13,824,028	13,057,906
Deposits for PMS	-	1,100,000
Deposits for Office Premises	91,909,686	91,219,422
Deposits for Telephone, VSAT, Electricity etc.	2,132,960	1,371,142

**Total****283,893,463****287,965,708****Note 16 Inventories**

Stock in Trade*	128,207,651	123,597,744
Franking Balance on Hand	50,420	50,420
Stock of Stamp	10,162	10,162
<b>Total</b>	<b>128,268,233</b>	<b>123,658,326</b>

\* 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.

## MONARCH NETWORK CAPITAL LIMITED

### Note 17 Trade Receivables

(Figures in ₹ )

Particulars	As at 31 <sup>st</sup> March,2017	As at 31 <sup>st</sup> March,2016
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
-considered good	91,646,461	98,372,470
-considered doubtful**	-	67,287,557
Sub-total	91,646,461	165,660,027
Others		
-considered good	368,873,566	235,997,430
Provision for doubtful receivables	-	(67,287,557)
<b>Total</b>	<b>460,520,026</b>	<b>334,369,900</b>

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

### Note 18 Cash and Bank Balances

a. Cash on hand	89111.25	1,618,179
b. Balances with Banks:		
In Earmarked Balances		
In Current Account	116,748,447	83,966,637
Balances held as margin money deposits against guarantees*	156,757,488	78,750,000
Fixed deposits held as security deposits	51,591,083	25,983,173
	325,097,018	188,699,810
<b>Total</b>	<b>325,186,129</b>	<b>190,317,989</b>

### Note 19 Short-Term Loans and Advances

Advances to Staff	2,808,298	2,500,959
Advances to Suppliers	1,099,660	1,709,635
Prepaid Expenses	7,796,369	10,001,246
Advances to Subsidiary	1,227,749	709,749
Receivables from Related Party	8,185,912	8,185,912
Provision for Income Tax	-	-
Loan - others Advances	90,551,978	51,974,695
<b>Total</b>	<b>111,669,967</b>	<b>75,082,196</b>

Particulars	(Figures in ₹ )	
	Year Ended 31 <sup>st</sup> March , 2017	Year Ended 31 <sup>st</sup> March , 2016
<b>Note 20</b>		
<b>Revenue from Operations</b>		
Income From Operation:		
Brokerage & Related Income	508,342,658	410,651,796
IPO Brokerage Commission	3,061,976	242,404
Demat Income	21,032,749	21,551,925
Merchant Banking income	2,100,000	50,000
Income From Trading In Securities	(3,077,934)	(2,711,048)
Other Income	9,524,688	6,621,661
<b>Total</b>	<b>540,984,136</b>	<b>436,406,738</b>
<b>Note 21</b>		
<b>Other Income</b>		
Dividend Income	297,386	425,264
Income Tax Refund	13,025,541	-
Interest Received On Fixed Deposits	12,451,389	16,660,292
Interest on Income Tax Refund	8,625,927	-
Interest Received On Subsidiary Loan	5,550,228	-
Odin & Diet User Charges	10,000	603,725
Penalty Charges Recovered	440,793	668,301
Income from Trading in Securities	9,583	-
Profit on Error Holding	3,890,346	-
Other Income	178,737	-
Sundry Balance W/off (Net)	343,390	599,836
<b>Total</b>	<b>44,823,319</b>	<b>18,957,418</b>
<b>Note 22</b>		
<b>Employee Benefit Expense</b>		
Salaries & Wages	149,771,027	126,939,667
Contribution to Provident & other funds*	8,640,572	8,320,595
Performance Incentive	4,170,863	4,245,224
Staff Welfare (Including Refreshment)	3,657,526	3,511,317
Directors' Remuneration	3,416,431	3,154,900
Recovery of Expenses **	(19,147,811)	(7,662,853)
<b>Total</b>	<b>150,508,607</b>	<b>138,508,850</b>

\*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 31 <sup>st</sup> March , 2017	Year Ended 31 <sup>st</sup> March , 2016
<b>Actuarial Assumptions</b>		
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount rate	6.6%	7.5%
Rate of return (expected) on plan assets	7.5%	7.5%
Rate of increase in compensation previous year	5.1%	5.1%
Rate of increase in compensation current year	5.1%	5.1%
<b>Changes in present value of obligations</b>		
Obligation at the beginning of the year	13,046,548	11,677,890
Interest Cost	806,320	756,756
Current Service Cost	1,884,104	1,650,825
Benefit paid	(1,197,420)	(934,947)
Actuarial (gain) / Loss on obligations	(337,891)	(103,976)
Liability at the end of the year	14,201,661	13,046,548
<b>Changes in fair value of plan assets</b>		
Fair value of plan Assets at the beginning of the year	816,967	1,534,166
Fair value of plan Assets at the end of the year	1,056,660	816,967
Current Service cost	1,884,104	1,650,825
Interest Cost	806,320	757,916
Expected return on plan assets	(337,891)	(107,392)
Net Actuarial (Gain) or Loss	(404,794)	(215,493)

## MONARCH NETWORK CAPITAL LIMITED

Opening net liability	12,229,581	10,143,725
Adjustment to opening balance	-	-
Expense as above	1,947,739	2,085,856
Contribution paid	-	-
Closing net Liability	13,145,001	12,229,581

Note : The above informations are certified by the independent actuary and same has been taken into consideration for both the years.

### Note 23 Operating Expenses

Particulars	(Figures in ₹ )	
	Year Ended 31 <sup>st</sup> March , 2017	Year Ended 31 <sup>st</sup> March , 2016
Demat Related Charges	14,908,147	5,970,116
Sub Brokerage & Commission Expenses	140,105,997	108,745,527
Professional Fees (Marketing)	13,705,981	14,912,933
Stamping Charges	284,515	747,458
Penalty Account	416,156	219,800
Exchange Expenses	177,460	755,438
Connectivity Charges	6,277,651	4,472,260
Membership Fees & Subscription	3,574,693	2,502,901
Software Charges	5,484,427	6,857,475
<b>Total</b>	<b>184,935,027</b>	<b>145,183,909</b>

### Note 24 Administrative Selling and Distribution Expenses

Administration expenses		
Legal & Professional Charges	16,740,170	19,992,729
Telephone/Communication Charges	7,905,605	9,054,980
Electricity Charges	9,552,423	9,362,937
Rent Rates & Taxes	31,780,138	29,473,176
Municipal Taxes	828,459	236,284
Repairs & Maintenance	7,631,321	8,396,833
Manpower supply charges	3,169,800	1,176,560
Insurance Charges	738,922	543,666
Postage & Courier Charges	4,552,964	4,670,890
Conveyance & Travelling	7,125,049	5,523,627
Printing Stationery & Xerox Charges	3,251,432	3,559,832
Provident Fund Administrative Charges	646,306	346,360
Professional Tax	-	41,901
Corporate Social Responsibility	650,000	
Office expenses	4,721,775	2,051,447
Misc. Expenses	64,048	
Festival Expenses	1,590,854	
Staff Recruitment Expenses	130,784	171,675
Auditors' Remuneration	550,000	550,000
Recovery of Expenses **	(11,610,653)	(6,474,051)
Selling & Distribution Expenses		
Advertisement	1,304,259	189,572
Business Promotion Expenses	5,234,255	6,616,034
<b>Total</b>	<b>96,557,911</b>	<b>95,484,452</b>

\*\* 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

Interest On Bank OD & Fin Inst	24,343,064	57,352,285
Interest On Car Loan	187,443	81,108
Bank Guarantee Charges	4,627,271	1,842,799
Bank & Fin Institution charges	197,826	263,921
Interest on Late Payment of TDS / service tax	23,969	537
Other Interest	190,185	286,891
<b>Total</b>	<b>29,569,758</b>	<b>59,827,542</b>

**Note 26 Other Expenses**

Particulars	(Figures in ₹)	
	Year Ended 31 <sup>st</sup> March , 2017	Year Ended 31 <sup>st</sup> March , 2016
Bad debts/Sundry Balance written off	517,794	1,648,469
Loss on Assets sold / discarded	(110,563)	(667,561)
Other Expenses-SBC	623,989	176,199
Charity & Donations	141,600	1,347,936
<b>Total</b>	<b>1,172,820</b>	<b>2,505,043</b>

**Note 27**

Earning Per Share			
<b>Basic EPS :</b>			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	73,109,930	4,761,456
Weighted Average Number of Shares Subscribed (Basic)	B	30,311,600	30,311,600
Basic EPS	A/B	2.41	0.16
<b>Diluted EPS :</b>			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	73,109,930	4,761,456
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	2.41	0.16

**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**

Foreign Currency Outflow	Nil	Nil
Foreign Currency Inflow	8,157	10,841

• **Directors Remuneration**

Director Remuneration	3,416,431	3,154,900
-----------------------	-----------	-----------

Computation of net profit u/s 198 of the Companies Act, 2013 is not furnished as no commission is payable / paid to the Directors. The reimbursement or payment of expenses as per the contractual appointment, are not in the nature of personal expenses, as the same are accepted/incurred under contractual obligation as per the business practices. Also the expenditure incurred in the normal course of business, in accordance with the generally accepted business practices, on employees and directors, is not considered as expenditure of personal nature. There for the same has not been considered for the above purpose.

• **Payment to Auditors**

For Statutory Audit	425,000	425,000
For Tax Audit	125,000	125,000
<b>Total</b>	<b>550,000</b>	<b>810,000</b>

## MONARCH NETWORK CAPITAL LIMITED

**Note 29** 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 30 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 ₹35 crores for loan taken by its Subsidiary Company Monarch Network Finserve Private Ltd (Formerly Known as Ravisha Financial Services Private Limited) from financial institutions.
- c. The company has given guarantee of ₹4 crores for loan taken by its Subsidiary Company Monarch Neworth Comtrade Limited (Formerly known as Network Commodities & Investments Ltd) from bank.

**d. Contingent Liabilities of erstwhile Transferor companies:**

**Merged Entity- Monarch Project & Finmarkets Limited:**

(Figures in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2017
Service Tax matters pending with various authorities	57.96
Inter Corporate Guarantee	103.33
<b>Total</b>	<b>161.29</b>

**Merged Entity- Monarch Research & Brokerage Private Limited:**

(Figures in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2017
Service Tax matters pending with various authorities	6.76
<b>Total</b>	<b>6.76</b>

- 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, 2017.

**Note-31 A Reconciliation of Cash needed during 08.11.2016 to 31.12.2016**

Closing Cash on hand as on 8.11.2016	SBNs (500/1000)	Other denomination	Total
	550000	136882.56	686882.56
<b>Transactions between 9th November 2016 and 30th December 2016</b>			
Add: Withdrawal from bank accounts	-	300000	300000
Add: Receipts for permitted transactions	-	-	0
Add : Receipts for non-permitted transactions (if any)	-	-	0
Less : Paid for permitted transactions	-	-	- 335213
Less : Paid for non-permitted transactions (if any)	-	-	-
Less: Deposited in bank accounts	550000	-	-550000
Closing cash in hand as on 30.12.2016	-	-	101669.56

**Note 32 Related Party Disclosure of MNCL**

(a) List of Related Parties and Relationship

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Monarch Network Comtrade Limited (Formerly Known as Network Commodities & Investments Ltd.)	Subsidiary Company
Monarch Network Investment Advisors Pvt Ltd (Formerly Known as Monarch Insurance Broking Private Ltd)	Subsidiary Company
Network Wealth Solutions Ltd.	100% Subsidiary Company
Monarch Network Finserve Private Limited (Formerly Known as Ravisha Financial Services Pvt. Ltd)	100% Subsidiary Company
Network Insurance Broking Private Ltd.	100% Subsidiary Company
Network Softtech Ltd	Associate Concern
Network Financial Services Ltd.	Associate Concern
<b>Key Management Personnel</b>	
Mr. Vaibhav Shah	Managing Director cum Chairman
Mrs. Manju Bafna	Executive Director

Others	
Mr. Suresh Pukhraj Jain	Dominant Promoter Group
Mrs. Kanta Jain	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
S.P. Jain – HUF	Dominant Promoter Group
Sun Capital Advisory Services Private Limited	Dominant Promoter Group
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
Monarch Infra Venture- 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 Company	Key Management Personnel	Others	Total
Revenue Received	CY	37,247,658	149,833	204,476	37,601,967
	PY	14,136,904	-	-	14,136,904
Rendering of Services	CY	-	12,637,999	10,800,000	26,437,999
	PY	-	12,940,212	10,800,000	29,740,212
Loan Given	CY	-	-	-	-
	PY	-	-	-	-
Outstanding Balance included in current liabilities	CY	-	-	-	-
	PY	-	-	-	-
Outstanding Balance included in current assets	CY	1,227,749	8,185,912	-	9,413,661
	PY	709,749	8,185,912	-	8,895,661

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

## MONARCH NETWORK CAPITAL LIMITED

### Note 33 Disclosure as per SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015

(Figures in ₹)

Particulars	Relationship		Amount outstanding as at March 31 <sup>st</sup> , 2017	Maximum balance outstanding during the year
Monarch Network Comtrade Limited (Formerly Known as Network Commodities & investment Ltd.)	Subsidiary	CY	-	72,544,132
		PY	-	18,365,960
Network Wealth Solutions Ltd	Subsidiary	CY	-	35,000,644
		PY	-	84,000,000
Monarch Network Finserve Private Limited (Formerly Known as Ravisha Financial Services Pvt. Ltd)	Subsidiary	CY	-	177,258,677
		PY	-	38,818,281
Network Insurance Broking Pvt Ltd	Subsidiary	CY	267,082	267,082
		PY	264,082	264,082
Monarch Network Investment Advisors Pvt Ltd (Formerly Known as Monarch Insurance Broking Private Ltd)	Subsidiary	CY	960,667	960,667
		PY	445,667	445,667

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

**Note: 34** 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: 35** 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: 36** 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: 37** There are no Capital commitments which is outstanding as on Balance Sheet date (previous year Nil).

**Note: 38** Events Occurring After the Balance Sheet Date

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

**Note: 39** 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 Finance Officer)

**Sophia Jain**  
(Company Secretary )

Place : Mumbai  
Date :30th May-2017

Place : Mumbai  
Date :30th May-2017

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To  
The Members of,  
**MONARCH NETWORK CAPITAL LIMITED**  
(Formerly known as NETWORK STOCK BROKING LIMITED)

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **M/s. MONARCH NETWORK CAPITAL LIMITED (Formerly known as NETWORK 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, 2017, 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, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Emphasis of Matters

We draw the attention to the following matters in the Notes to Financial Statements:

- a) **The Financial Statements of Network Wealth Solutions Ltd (Subsidiary Co.) indicates that the company has accumulated losses and its Net Worth has been fully eroded; the Company Current Liability exceeded its Current Assets as at the Balance Sheet date. These conditions along with other matters set forth in, indicate the existence of a material uncertainty that cast significant doubt about the company's ability to continue as a going concern. However the Financial Statements of the company have been prepared on going concern basis. Our opinion is not modified in respect of these matters.**

### Other Matters

We did not audit the financial statements of Five subsidiaries included in the consolidated year to date financial results, whose consolidated interim financial statements reflect total assets of Rs. 84,71,25,513/- as at 31st March 2017 (Rs. 40,22,08,357/- as at 31st March 2016) as well as the total revenue of Rs. 11,74,24,366/- for the year ended 31st March 2017 (Rs. 7,58,68,691/-for the year ended 31st March 2016). The Consolidated statements also includes the Company's share of Net Profit of Rs 2,53,252/- for the year ended 31st March 2017 (Rs. 2,36,984/- for the year ended

## MONARCH NETWORK CAPITAL LIMITED

furnished to us, and our opinion on the year to date financial results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors. Attention is drawn to the fact that the Company has incorporated another subsidiary company - Monarch Network Capital IFSC Private Limited on 14th March, 2017, since there was no activity for the financial year ended 31st March, 2017, accounts of the same has not been taken into consideration.

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, 2017 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, 2017 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 30, 34 & 35 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
    - IV. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

**For Parekh Lodha & Co**  
Chartered Accountants  
Firm Reg. No. 107487W

**Ashutosh Dwivedi**  
(Partner)  
M. No. 410227

Date: - 30th May, 2017  
Place: - Mumbai

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S 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 NETWORK CAPITAL LIMITED (Formerly known as NETWORK STOCK BROKING LIMITED)** ("the Company") as of March 31, 2017 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, 2017, 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 Lodha & Co**  
Chartered Accountants  
Firm Reg. No. 107487W

**Ashutosh Dwivedi**  
(Partner)  
M. No. 410227

Date: - 30th May, 2017  
Place: - Mumbai

**MONARCH NETWORK CAPITAL LIMITED**
**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

(Figures in ₹)

Particulars	Note No.	As at 31 <sup>st</sup> March , 2017	As at 31 <sup>st</sup> March, 2016
<b>A. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	303,116,000	303,116,000
(b) Reserves and Surplus	4	200,984,618	115,923,989
<b>(3) Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	2,432,925	586,546
(b) Other Long term liabilities	6	48,028,391	31,866,234
(c) Long term provisions	7	13,430,886	14,963,912
(d) Minority Interest		9,116	8,474
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowings	8	633,799,619	554,148,394
(b) Trade payables	9	1,004,422,505	470,227,988
(c) Other current liabilities	10	14,822,334	14,037,023
(d) Short-term provisions	11	45,912,750	29,866,326
<b>Total</b>		<b>2,266,959,144</b>	<b>1,534,744,886</b>
<b>B. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets:	12		
(i) Tangible assets		32,665,387	33,490,835
(ii) Intangible assets		6,660,605	8,780,580
(b) Non-current investments	13	31,887,148	34,110,746
(c) Deferred tax assets (net)		43,635,652	51,402,363
(d) Long term loans and advances	14	528,418,275	318,987,746
<b>(2) Current assets</b>			
(a) Inventories	15	128,268,233	123,658,326
(b) Trade receivables	16	985,658,331	595,396,598
(c) Cash and Bank balances	17	383,788,857	234,396,315
(d) Short-term loans and advances	18	125,753,057	134,294,798
(e) Other current assets	19	223,599	226,579
<b>Total</b>		<b>2,266,959,144</b>	<b>1,534,744,886</b>

**Significant Accounting policies**

The accompanying Notes from 28 to 39 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 )

**Ashutosh Dwivedi**  
 (Partner)  
 M.No. 410227

 Place : Mumbai  
 Date :30th May-2017

**For and on behalf of the Board**
**Vaibhav Shah**  
 (Chairman cum Managing Director)

**Manju Bafna**  
 (Whole-Time Director)

**Ashok Bafna**  
 (Chief Finance Officer)

**Sophia Jain**  
 (Company Secretary )

 Place : Mumbai  
 Date :30th May-2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	Note No.	(Figures in ₹)	
		Year Ended 31 <sup>st</sup> March , 2017	Year Ended 31 <sup>st</sup> March, 2016
1. Revenue From Operation	20	649,903,379	506,795,796
2. Other Income	21	47,739,250	24,397,595
<b>3. Total Revenues (1+2)</b>		<b>697,642,629</b>	<b>531,193,391</b>
<b>4. Expenses:</b>			
(a) Employee benefit expense	22	175,547,967	152,179,138
(b) Operating Expenses	23	230,094,706	172,510,572
(c) Administrative, Selling and Distribution Expenses	24	114,441,698	106,735,743
(d) Financial costs	25	30,341,051	60,143,546
(e) Depreciation and amortization expense	13	17,692,871	35,831,208
(f) Other expenses	26	6,072,458	4,991,843
(g) Provision for Standard Assets		843,884	672,077
(g) Provision for Non Performing Assets		(2,434,967)	-
<b>Total Expenses</b>		<b>572,599,668</b>	<b>533,064,126</b>
<b>5. Profit / (Loss) Before Exceptional and Extraordinary Items and Tax ( 3-4)</b>		<b>125,042,961</b>	<b>(1,870,736)</b>
6. Exceptional and Extraordinary Items/ Prior Period Adjustments		(11,012,942)	(795,797)
<b>7. Profit /(Loss) before tax (5+6)</b>		<b>114,030,019</b>	<b>(2,666,533)</b>
<b>8. Tax expense:</b>			
(a) Current tax		20,964,740	1,380,000
(b) Deferred tax		7,766,711	2,030,656
(c) Short/Excess Provision of tax		-91,025	(10,821,314)
<b>Total Tax Expense</b>		<b>28,640,426</b>	<b>(7,410,658)</b>
<b>Add:Share of Profit/(Loss) from Associate</b>		<b>-253252</b>	<b>236,984</b>
<b>Add:Minority Interest</b>		<b>-2297</b>	<b>(1,655)</b>
<b>9. Profit /(Loss) for the year ( 7-8)</b>		<b>85,134,044</b>	<b>4,979,455</b>
10. Earning per equity share: ( Face Value ₹ 10)	27		
(1) Basic		2.81	0.16
(2) Diluted		2.81	0.16

Significant Accounting policies

The accompanying Notes from 28 to 39 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 )

**Ashutosh Dwivedi**

(Partner)  
M.No. 410227

Place : Mumbai  
Date :30th May-2017

For and on behalf of the Board

**Vaibhav Shah**

(Chairman cum Managing Director)

**Ashok Bafna**

(Chief Finance Officer)

Place : Mumbai  
Date :30th May-2017

**Manju Bafna**

(Whole-Time Director)

**Sophia Jain**

(Company Secretary )

**MONARCH NETWORK CAPITAL LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(Figures in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary Items	114,030,019	(2,628,181)
Adjustments for		
Depreciation	17,692,871	35,831,208
Gratuity Provision	-	-
Provision for Standard Assets	843,884	672,077
Provision for Non Performing Assets	-	-
Finance Expenses	30,340,632	60,143,546
Loss on assets sold/discarded	110,563	667,561
Provision for Doubtful Debts	-	-
Dividend Received	(297,386)	(425,264)
Interest Received	(34,976,610)	(22,098,323)
Profit on Sale of Investment	(143,335)	-
<b>Operating profit before working capital changes</b>	<b>127,600,638</b>	<b>72,162,624</b>
Adjustments for		
Decrease (Increase) in Trade and other Receivables	-596276032	-12956484
Increase (Decrease) in Trade Payable and Provisions	826,647,758	82,625,053
Cash Generated from operations	357,972,364	143,253,453
Income Tax Provided For The Year	(20,839,409)	10,300,000
Prior Period Items	-	(38,356)
<b>Net Cash From Operating Activities</b>	<b>337,132,955</b>	<b>152,092,837</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(15,039,395)	(9,399,991)
Sale of Fixed Assets	181,385	65,312
Purchase of Shares/ Mutual Funds	-	(30,000,000)
Sales of Shares/ Mutual Funds	2,079,683	-
Interest Received	34976610	22098323
Dividend Received	297,386	425,264
<b>Net Cash from Investing Activities</b>	<b>22,495,669</b>	<b>(16,811,092)</b>
<b>C. Cash flow From Financing Activities</b>		
Finance Expenses	(30,340,031)	(60,143,546)
Issue of Share Capital		30,000,000
Loan Funds	(179,896,051)	(88,549,262)
<b>Net Cash used in Financing Activities</b>	<b>(210,236,082)</b>	<b>(118,692,808)</b>
<i>Net Increase in Cash &amp; Cash Equivalents</i>	<b>149,392,542</b>	<b>18,011,197</b>
<i>Opening Balance of Cash &amp; Cash Equivalents</i>	234,396,315	217,807,378
<i>Closing Balance of Cash &amp; Cash Equivalents</i>	<b>383,788,857</b>	<b>235,818,575</b>

## 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 39 are an integral part of Financial Statements.

**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 Finance Officer)

**Sophia Jain**

(Company Secretary )

Place : Mumbai

Date :30th May-2017

Place : Mumbai

Date :30th May-2017

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****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, Portfolio Management Services and Market Maker Services.

**2. SIGNIFICANT ACCOUNTING POLICIES**

- a) Accounting for Amalgamation
- b) Under the pooling of interests method, the assets, liabilities and reserves of the transferor companies are recorded by the transferee company at their existing carrying amounts.
- c) The amalgamation being in the nature of merger, the identity of the reserves are preserved and the reserves appear in the financial statements of the transferee company in the same form in which they appeared in the financial statements of the transferor companies.
- d) 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 are adjusted.

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

The individual Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017 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.****f) 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.

**g) 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.

**h) 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.

**i) 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.

## MONARCH NETWORK CAPITAL LIMITED

---

### j) 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.

### k) 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).

### l) 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 availment due to uncertainties of accrual. Leave encashment is provided on actual basis.

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

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

### m) 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.

### n) 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.

### o) 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.

### p) 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.

### q) 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.

**r) 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.

**s) Segment Reporting**

During the year under consideration, the Company MNCL (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.

## MONARCH NETWORK CAPITAL LIMITED

### Note 3 Share Capital

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

Particulars	(Figures in ₹)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Authorised Share Capital</b>		
5,00,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- Each (P.Y. 5,00,000)	50,000,000	50,000,000
60,00,000 - Preference Shares of ₹ 10/ each (P.Y. 60,00,000)	60,000,000	60,000,000
3,05,00,000 Equity Shares of ₹ 10/ each Previous Year (3,05,00,000)	305,000,000	305,000,000
	<b>415,000,000</b>	<b>415,000,000</b>
<b>Issued Subscribed &amp; Paid up Share Capital</b>		
3,03,11,600 Equity Shares of Rs ₹10/- each (Previous Year 3,03,11,600)	303,116,000	303,116,000
	<b>303,116,000</b>	<b>303,116,000</b>

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

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	30,311,600	303,116,000	30,311,600	303,116,000
Add: Shares Issued during the year	-	-	-	-
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, 2017 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 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 10/- each fully paid				
Mr. Suresh Jain	2992137	9.87	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 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>a. Capital Reserves</b>		
Opening Balance	15,163,560	15,163,560
<b>Closing Balance</b>	<b>15,163,560</b>	<b>15,163,560</b>
<b>b. Securities Premium Account</b>		
Opening Balance	296,652,896	296,652,896
<b>Closing Balance</b>	<b>296,652,896</b>	<b>296,652,896</b>
<b>c. Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Opening balance	(252,513,995)	(352,971,572)
(+/-) Net Profit/(Loss) For the current year	85,134,044	4,979,455
<b>Closing Balance</b>	<b>(143,949,913)</b>	<b>(229,083,957)</b>
<b>d. Amalgamation Reserve Account</b>		
Opening Balance	33,191,490	33,191,490
	-	-
<b>Total</b>	<b>200,984,618</b>	<b>115,923,989</b>
<b>Note 5 Long-Term Borrowings</b>		
Loan from NBFC (Secured against hypothecation of Vehicle)	2,432,925	586,546
<b>Total</b>	<b>2,432,925</b>	<b>586,546</b>

**Note:**

(a) Loan has been taken from ICICI Bank Ltd of Rs. 24,32,925/- while Previous Year Loan from NBFC of Rs. 5,86,546/- of the erstwhile Monarch Projects and Finmarkets Limited taken from Kotak Mahindra Prime Ltd which one repay in current year. The loan has been secured by way of Hypothecation of Vehicles

**Note 6 Other Long-Term Liabilities**

Security Deposit from Business Associates	32,191,391	26,020,734
Client Deposit	15,837,000	5,845,500
<b>Total</b>	<b>48,028,391</b>	<b>31,866,234</b>

**Note 7 Long-Term Provisions**

Provision for Gratuity	13,177,508	12,275,567
Provision for NPA	253,378	2,688,345
<b>Total</b>	<b>13,430,886</b>	<b>14,963,912</b>

**Note 8 Short Term Borrowings**

(a) Overdraft from HDFC Bank (Secured against hypothecation of Office premises & Securities, and Personal guarantee of Key Management)	40,201,759	64,558,193
(b) Unsecured Loans from shareholders (Other than promoter group)	3,000,000	3,000,000
(c) Other Loans & Advances - Unsecured Loan	103,554,110	102,169,967
(d) Banks & Financial Institutions	384,420,234	487,043,750
<b>Total</b>	<b>633,799,619</b>	<b>554,148,394</b>

## MONARCH NETWORK CAPITAL LIMITED

---

### Note 9 Trade Payables

Sundry Creditors - Clients	465,860,964	137,287,187
Sundry Creditors - Others	8,082,221	12,278,164
Other liabilities		-
Margin Payable to Clearing Member	530,479,320	320,662,637
<b>Total</b>	<b>1,004,422,505</b>	<b>470,227,988</b>

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

(a) Statutory Remittances	7,793,166	8,361,790
(b) Other Current Liabilities	7,029,168	5,675,233
<b>Total</b>	<b>14,822,334</b>	<b>14,037,023</b>

### Note 11 Short Term Provisions

<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	15,685,122	13,175,219
<b>(b) Others</b>		
Provision for Income Tax & CSR	19,911,000	9,261,017
Expenses payable outstanding	8,412,011	5,454,317
Provision for Standard Assets	1,825,850	981,966
Provision for Doubtful Deposits & Debtors	78,767	993,807
<b>Total</b>	<b>45,912,750</b>	<b>29,866,326</b>

## Note - 12 Fixed Assets

(Figures in ₹)

Particulars	Gross Block			Accumulated Depreciation & Amortization				Net Block	
	As at 01/04/2016	Additions	Deletions/ Adjustments	As at 31/03/2017	As at 01/04/2016	Additions	Deletions	As at 31/03/2017	As at 31/03/2016
<b>1 Tangible asset</b>									
a Improvement to Lease Assets	28,318,938	-	-	28,318,938	9,849,708	1,003,510	-	10,853,218	18,469,230
b Office Premises	16,124,689	549,775	213,201	16,461,263	15,155,615	230,662	202,541	-	969,074
c Air Conditioners	132,619,967	6,747,371	742,858	138,624,481	125,421,310	6,519,062	712,760	131,227,612	7,198,657
d Computer	20,256,672	-	-	20,256,672	20,256,672	-	-	20,256,672	-
e Furniture & Fixtures	15,326,173	3,804,203	667,550	18,462,826	12,710,088	1,433,827	474,296	13,669,619	2,616,085
f Vehicles	30,069,690	2,314,671	692,480	31,691,881	25,831,901	4,762,460	634,545	29,959,816	4,237,789
g Office Equipment	242,716,129	13,416,020	2,316,089	253,816,061	209,225,294	13,949,521	2,024,142	221,150,673	33,490,835
<b>Total - 1</b>									
Intangible Assets									
a Computer Software	60,294,021	1,623,375	-	61,917,396	52,009,747	3,743,350	-	55,753,097	8,284,274
b Goodwill on Consolidation	496,306	-	-	496,306	-	-	-	-	496,306
<b>Total - 2</b>	<b>60,790,327</b>	<b>1,623,375</b>	<b>-</b>	<b>62,413,702</b>	<b>52,009,747</b>	<b>3,743,350</b>	<b>-</b>	<b>55,753,097</b>	<b>8,780,580</b>
<b>Grand Total (1 + 2)</b>	<b>303,506,456</b>	<b>15,039,395</b>	<b>2,316,089</b>	<b>316,229,763</b>	<b>261,235,041</b>	<b>17,692,871</b>	<b>2,024,142</b>	<b>276,903,770</b>	<b>42,271,415</b>
	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

# MONARCH NETWORTH CAPITAL LIMITED

## Note 13 Non-Current Investments

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Numbers	Amount ₹	Numbers	Amount ₹
<b>Non Trade Investments</b>				
<b>Unquoted</b>				
(a) In Life Insurance policies		413,020	-	452,623
(b) In National Saving Certificates		4,000	-	52,289
(d) In Equity Shares - Fully Paid up Bombay Stock Exchange Limited	5700	877	11,401	877
(e) In Equity Shares of Associate Concern- Fully Paid up Networth Financial Services Ltd.	949,400	8,948,636	949,400	8,957,627
Networth SoftTech Ltd.	1,500,000	15,454,630	1,500,000	15,698,890
<b>Quoted</b>				
(a) Investments in Equity Shares - Fully Paid up Sadbhav Engeneering Ltd.	1,310	24,235	1,310	24,235
- Indiabulls Limited	229,000	7,041,750	229,000	7,041,750
- NTPC Limited		-	2,000	414,500
- Power Grid Limited			13,700	1,467,955
<b>Total</b>		<b>31,887,148</b>		<b>34,110,746</b>
Less : Provision for diminution in the value of Investments				
<b>Total</b>		<b>31,887,148</b>		<b>34,110,746</b>

## Note 14 Long-term Loans and advances

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Unsecured considered good unless stated otherwise :</b>		
<b>a. Security Deposits</b>		
<b>Deposit with Stock Exchange &amp; Financial Institutions</b>		
Deposit with Stock Exchange & Financial Institutions	83,526,054	59,799,117
Additional Base capital with Clearing Member	300,635,189	79,778,762
Gratuity Fund	1,013,108	913,990
<b>b. Balance with Revenue Authorities</b>		
Advance Income Tax & Service Tax	33,318,794	68,554,165
Advance Fringe Benefit Tax	2,058,456	2,058,456
<b>c. Other Deposits</b>		
Deposits for Arbitration Order	13,824,028	13,057,906
Deposits for Office Premises	91,909,686	91,219,422
Deposits for Telephone, VSAT, Electricity etc.	2,132,960	2,505,928
Other Deposits	-	1,100,000
<b>d. Deffered Revenue Expenditure</b>		
<b>Total</b>	<b>528,418,275</b>	<b>318,987,746</b>

## Note 15 Inventories

Stock in Trade	128,207,651	123,597,744
Franking Balance on Hand	50,420	50,420
Stock of Stamp	10,162	10,162
<b>Total</b>	<b>128,268,233</b>	<b>123,658,326</b>

\*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 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
-considered good	209,695,689	566,236,343
-considered doubtful	1,032,247	67,287,557
Sub-total	210,727,936	633,523,900
Others		
-considered good	774,930,395	29,160,255
Provision for doubtful receivables	-	(67,287,557)
<b>Total</b>	<b>985,658,331</b>	<b>595,396,598</b>

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

**Note 17 Cash and Bank Balances**

<b>a. Cash on hand</b>	<b>190,501</b>	<b>1,803,079</b>
<b>b. Balances with Banks:</b>		
In Current Account	144,317,854	99,578,335
Balances held as margin money deposits against guarantees	156,757,488	78,750,000
Fixed Deposits held as Security Deposit	82,523,014	54,264,901
<b>Total</b>	<b>383,788,857</b>	<b>234,396,315</b>

**Note 18 Short-Term Loans and Advances**

Advances to Staff	2,839,545	2,505,961
Advances to Suppliers	1,630,971	1,782,855
Prepaid Expenses	9,930,810	11,844,007
Other Loans & Advances	103,165,818	109,976,063
Receivables from Related Parties	8,185,912	8,185,912
<b>Total</b>	<b>125,753,057</b>	<b>134,294,798</b>

**Note 19 Other Current assets**

Miscellaneous Expenditure to the extent not W/off	223,599	226,579
<b>Total</b>	<b>223,599</b>	<b>226,579</b>

**Note 20 Revenue from Operations**

<b>Income From Operation:</b>		
Brokerage & Related Income	588,710,841	480,890,163
Interest Income	59,108,496	28,324,277
IPO Brokerage Commission	3,061,976	242,404
Profit on Trading of Shares	(3,077,934)	(2,711,048)
Merchant Banking income	2,100,000	50,000
<b>Total</b>	<b>649,903,379</b>	<b>506,795,796</b>

## MONARCH NETWORTH CAPITAL LIMITED

### Note - 21 : Other Income

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Dividend Income	297,386	425,264
Interest Received On Fixed Deposits	12,558,117	17,887,825
Interest Received On Income Tax Refund	8,625,927	37,265
Interest Received On Others	8,021,725	4,173,233
Odin & Diet User Charges	10,000	603,725
Penalty Charges Recovered	440,793	668,301
Sundry Balance W/off (Net)	342,626	601,982
Profit on Error Holding	3,899,929	-
Income Tax Refund	13,253,210	-
Other Income	289,537	-
<b>Total</b>	<b>47,739,250</b>	<b>24,397,595</b>

### Note - 22 : Employee Benefit Expense

Salaries & Wages	155,397,704	132,681,909
Contribution to Provident & other funds*	8,560,528	8,585,046
Performance Incentive	4,221,563	4,245,966
Staff Welfare	3,951,741	3,511,317
Directors' Remuneration	3,416,431	3,154,900
<b>Total</b>	<b>175,547,967</b>	<b>152,179,138</b>

### Note - 23 : Operating Expenses

Demat Charges	15,021,050	6,009,561
Sub Brokerage & Commission Expenses	152,250,629	116,590,532
Professional Fees (Marketing)	13,705,981	14,912,933
Stamping Charges	522,845	877,164
Exchange Expenses	667,204	1,180,446
Connectivity Charges	7,168,055	4,752,408
Membership Fees & Subscription	4,161,470	2,934,175
Software Charges	5,572,475	6,875,475
Interest on Loan availed	31,024,997	18,377,878
<b>Total</b>	<b>230,094,706</b>	<b>172,510,572</b>

### Note - 24 : Administrative Selling and Distribution Expenses

Legal & Professional Charges	19,679,300	22,233,107
Telephone/Communication Charges	8,116,442	9,282,541
Electricity Charges	9,552,423	9,362,937
Rent Rates & Taxes	32,680,138	29,802,791
Municipal Taxes	828,459	236,284
Repairs & Maintenance	7,637,036	8,400,294
Manpower supply charges	3,169,800	1,176,560
Insurance Charges	774,119	676,186
Postage & Courier Charges	4,592,690	4,779,388
Conveyance & Travelling	7,357,773	5,579,178
Printing Stationery & Xerox Charges	3,404,835	3,649,924
Provident Fund Administrative Charges	672,217	378,599
Office expenses	4,918,831	2,140,060
Miscellaneous Expenses	170,068	-
Festival Expenses	1,590,854	-
Corporate Social Responsibility	650,000	-
Staff Recruitment Expenses	130,784	171,675
Sauda Difference	-	82,034
Auditors' Remuneration	648,600	653,580
<b>Selling &amp; Distribution Expenses</b>		
Advertisement	1,821,419	1,439,572
Business Promotion Expenses	6,045,910	6,691,033
<b>Total</b>	<b>114,441,698</b>	<b>106,735,743</b>

**Note - 25 : Financial Costs**

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Interest On Bank OD & Fin. Inst.	24,700,697	57,505,408
Interest On Car Loan	187,443	81,108
Bank Guarantee Charges	4,627,271	1,842,799
Bank & Fin. Institution charges	584,210	390,544
Interest on Late Payment of TDS	51,245	33,480
Other Interest	190,185	290,206
<b>Total</b>	<b>30,341,051</b>	<b>60,143,546</b>

**Note - 27 : Other Expenses**

Bad debts/Sundry Balance written off	4,630,867	4,073,845
Loss on Assets sold / discarded	(110,563)	(667,561)
Other Expenses	880,554	237,623
Charity & Donations	671,600	1,347,936
<b>Total</b>	<b>6,072,458</b>	<b>4,991,843</b>

**Note: 28 Earning Per Share**

<b>Basic EPS :</b>			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	85,134,044	4,979,455
Weighted Average Number of Shares Subscribed (Basic)	B	30,311,600	30,311,600
Basic EPS	A/B	2.81	0.16
<b>Diluted EPS :</b>			
Profit / (Loss) after tax as per Statement of Profit and Loss	A	85,134,044	4,979,455
Weighted Average Number of Shares Subscribed (Basic)	B	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	2.81	0.16

**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**

Foreign Currency Outflow	Nil	Nil
Foreign Currency Inflow	8,157	10,841

- Directors Remuneration**

Director Remuneration	3,416,431	3,154,900
-----------------------	-----------	-----------

Computation of net profit u/s 198 of the Companies Act, 2013 is not furnished as no commission is payable / paid to the Directors. The reimbursement or payment of expenses as per the contractual appointment, are not in the nature of personal expenses, as the same are accepted/incurred under contractual obligation as per the business practices. Also the expenditure incurred in the normal course of business, in accordance with the generally accepted business practices, on employees and directors, is not considered as expenditure of personal nature. There for the same has not been considered for the above purpose.

- Payment to Auditors**

For Statutory Audit	493,600	498,580
For Tax Audit	155,000	155,000
<b>Total</b>	<b>648,600</b>	<b>653,580</b>

## MONARCH NETWORK CAPITAL LIMITED

**Note: 29** 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: 30 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:

- There are certain claims aggregating to ₹ 318 lacs (previous year ₹318 lacs) against the company for which the company has taken suitable legal recourse. Hence the same has not been recognized as a debt and no provision has been made thereof.
- The company has given guarantee of ₹ 35 crores for loan taken by its Subsidiary Company Monarch Network Finserve Private Ltd (Formerly Known as Ravisha Financial Services Private Limited) from financial institutions.
- The company has given guarantee of ₹ 4 crores for loan taken by its Subsidiary Company Monarch Neworth Comtrade Limited (Formerly known as Networth Commodities & Investments Ltd) from bank.
- 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, 2017.

**e. Contingent Liabilities of erstwhile Transferor companies:**

**Merged Entity -Monarch Project & Finmarkets Limited**

Particulars	(Figures in Lakhs)
	As at 31 <sup>st</sup> March,2017
Service Tax matters pending with various authorities	57.96
Income Tax matters under appeal	-
Inter Corporate Guarantee	103.33
<b>Total</b>	<b>161.29</b>

**Merged Entity -Monarch Research & Brokerage Private Limited**

Particulars	(Figures in Lakhs)
	As at 31 <sup>st</sup> March,2017
Service Tax matters pending with various authorities	6.76
<b>Total</b>	<b>6.76</b>

- Monarch Network Comtrade Pvt Ltd (Formerly known as Networth Commodities & Investments Limited), has received an Order u/s 143(3) of Income tax Act, 1961 for A.Y 2011.12 and demand of Rs.45,21,740/- raised. In connection with the same assessee has filed an appeal against the same demand.

Monarch Network Comtrade Pvt Ltd (Formerly known as Networth Commodities & Investments Limited), is undergoing litigation from clients in MCX & NCDEX Segment for sum amounting to Rs. 37,25,578/-. The outcome of which is contingent in nature (PY:18,00,760/-)

- In respect of its NBFC Business, Netwoeth Financial Services Pvt Ltd has received Order U/s. 143(3) of the Income Tax Act, 1956 for A.Y. 2012-13 and demand of ₹ 3.35 Lacs raised. In connection with the same assessee has filed an appeal against the same demand.

In respect of its NBFC Business, Netwoeth Financial Services Pvt Ltd has received Order U/s. 143(3) of the Income Tax Act, 1956 for A.Y. 2014-15 and demand of ₹4.13 Lacs raised. In connection with the same assessee has filed an appeal against the same demand.

**Note-31 A Reconciliation of Cash needed during 08.11.2016 to 31.12.2016**

Closing Cash on hand as on 8.11.2016	SBNs (500/1000)	Other denomination	Total
	566500	375751.06	942251.06
<b>Transactions between 9th November 2016 and 30th December 2016</b>			
Add: Withdrawal from bank accounts	-	560000	560000
Add: Receipts for permitted transactions	-	-	0
Add : Receipts for non-permitted transactions (if any)	-	-	0
Less : Paid for permitted transactions	-	-	-435602
Less : Paid for non-permitted transactions (if any)	-	-	0
Less: Deposited in bank accounts	566500	-	-566500
Closing cash in hand as on 30.12.2016	-	-	500149.06

**Note 32 Related Party Disclosure of MNCL**

(a) List of Related Parties and Relationship

<b>NAME OF THE RELATED PARTY</b>	<b>NATURE OF RELATIONSHIP</b>
Monarch Networth Comtrade Limited (Formerly Known as Networth Commodities & Investments Ltd.)	Subsidiary Company
Monarch Networth Investment Advisors Pvt Ltd (Formerly Known as Monarch Insurance Broking Private Ltd)	Subsidiary Company
Networth Wealth Solutions Ltd.	100% Subsidiary Company
Monarch Networth Finserve Private Limited (Formerly Known as Ravisha Financial Services Pvt. Ltd)	100% Subsidiary Company
Networth Insurance Broking Private Ltd.	100% Subsidiary Company
Networth Softtech Ltd	Associate Concern
Networth Financial Services Ltd.	Associate Concern
<b>Key Management Personnel</b>	
Mr. Vaibhav Shah	Managing Director cum Chairman
Mrs. Manju Bafna	Executive Director
<b>Others</b>	
Mr. Suresh Pukhraj Jain	Dominant Promoter Group
Mrs. Kanta Jain	Enterprises over which Director/ Key Managerial Personnel/ DPG are able to exercise significant influence
S.P. Jain – HUF	
Sun Capital Advisory Services Private Limited	Dominant Promoter Group
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
Monarch Infra Venture- 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/

**(b) Transaction with the Related Parties**

**MONARCH NETWORK CAPITAL LIMITED**

(Figures in ₹)

Particulars		Associate	Key Management	Others	Total
		Company	Personnel		
Revenue Received	CY		149,833	204,476	354,309
	PY		-	-	-
Rendering of Services	CY	3,000,000	13,327,999	10,800,000	27,127,999
	PY	6,000,000	12,940,212	10,800,000	29,740,212
Sale of Assets	CY		-	-	-
	PY		-	-	-
Loan Given	CY		-	-	-
	PY		-	-	-
Outstanding Balance included in current liabilities	CY	19,554,110	-	-	19,554,110
	PY	19,554,110	-	-	19,554,110
Outstanding Balance included in current assets	CY		8,185,912	4,200,000	12,385,912
	PY		8,185,912	5,000,000	13,185,912

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

**Note: 37 Segment Reporting**

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

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

**Segment wise Revenue / Result / Assets / Liabilities**

(Rs in Lakhs)

Sr. No	Particulars	Year Ended	Year Ended
		31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
<b>1</b>	<b>Segment Revenue (net sale / income from each segment)</b>		
	a Broking	5,834.62	4,624.47
	b Wealth management	33.20	43.92
	c Non banking financial business	608.52	392.35
	d Merchant banking income	21.00	0.05
	e Others	2.09	7.17
	<b>Total</b>	<b>6,499.43</b>	<b>5,067.96</b>
	Less: Inter segment revenue	251.69	141.37
	<b>Net sales / income from operations</b>	<b>6,247.74</b>	<b>4,926.59</b>
<b>2</b>	<b>Segment Results Profit/ (Loss) before tax and interest</b>		
	a Broking	1,310.26	440.85
	b Wealth management	5.09	(5.77)
	c Non banking financial business	117.92	(31.51)
	d Others	(5.02)	(0.11)
	<b>Total</b>	<b>1,428.25</b>	<b>403.46</b>
	Less: i. Interest Expenses	(303.41)	(601.43)
	Add: i. Un-allocable income	-	-
	ii. Interest Income	125.58	179.27
	<b>Total Profit Before Tax</b>	<b>1,250.42</b>	<b>(18.70)</b>
<b>3</b>	<b>Capital Employed</b>		
	(Segment assets – Segment Liabilities)		
	a Broking	6,590.44	5,806.64
	b Wealth management	(982.39)	(988.90)
	c Non banking financial business	573.42	505.53
	d Others	40.78	45.81
	<b>Total</b>	<b>6,222.25</b>	<b>5,369.08</b>

**Note: 34** 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: 35** 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: 36** 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: 37** There are no Capital commitments which is outstanding as on Balance Sheet date (previous year Nil).

**Note: 38 Events Occurring After the Balance Sheet Date**

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

**Note: 39** 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 Finance Officer)

**Sophia Jain**  
(Company Secretary )

Place : Mumbai  
Date : 30th May-2017

Place : Mumbai  
Date : 30th May-2017

# MONARCH NETWORK CAPITAL LIMITED

## MONARCH NETWORK CAPITAL LIMITED

(FORMERLY KNOWN AS NETWORK STOCK BROKING LIMITED)

CIN: L65920MH1993PLC075393

Regd Off: Office No.901/902, 9<sup>th</sup> 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	
<b>Address (Registered Office Address in case the Member is a Body Corporate)</b>	
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, 1<sup>st</sup> 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

**FORM NO. SH-13**  
**Nomination Form**  
**[Pursuant to Section 72 of the Companies Act, 2013 and**  
**Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]**

To,  
 Monarch Networth Capital Limited  
 Office No.901/902, 9th Floor,  
 Atlanta Centre, Opp. UdyogBhawan,  
 Sonawala Road, Goregaon (East),  
 Mumbai- 400 063

I/ We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**1. Particulars of the Securities (in respect of which nomination is being made):**

Nature of Security	Folio No.	No. of Securities	Certificate No.	Distinctive No.

**2. Particulars of Nominee/s:**

- a) Name \_\_\_\_\_
- b) Date of Birth \_\_\_\_\_
- c) Father's/Mother's/Spouse's name \_\_\_\_\_
- d) Occupation \_\_\_\_\_
- e) Nationality \_\_\_\_\_
- f) Address \_\_\_\_\_
- g) E-mail Id \_\_\_\_\_
- h) Relationship with the security holder \_\_\_\_\_

**3. In case nominee is a minor:**

- a) Date of Birth \_\_\_\_\_
- b) Date of attaining majority \_\_\_\_\_
- c) Name of guardian \_\_\_\_\_
- d) Address of guardian \_\_\_\_\_

Name of the Security Holder(s)  
 1. \_\_\_\_\_  
 2. \_\_\_\_\_

Signature  
 \_\_\_\_\_  
 \_\_\_\_\_

Name of witness: \_\_\_\_\_

Signature of witness: \_\_\_\_\_

Address of witness: \_\_\_\_\_

Date: \_\_\_\_\_

**FORM NO. SH-14**  
**Cancellation or Variation of Nomination**  
**[Pursuant to Section 72 of the Companies Act, 2013 and**  
**Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]**

To,  
 Monarch Network Capital Limited  
 Office No.901/902, 9th Floor,  
 Atlanta Centre, Opp. UdyogBhawan,  
 Sonawala Road, Goregaon (East),  
 Mumbai- 400 063

I/We hereby cancel the nomination(s) made by me/us in favor of \_\_\_\_\_  
 \_\_\_\_\_ (name and address of the nominee) in respect of the below mentioned securities.

Or  
 I/We hereby nominate the following person in place of \_\_\_\_\_ as nominee in respect of  
 the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

**1. Particulars of the Securities (in respect of which nomination is being made):**

Nature of Security	Folio No.	No. of Securities	Certificate No.	Distinctive No.

**2. Particulars of Nominee/s:**

- a) Name \_\_\_\_\_
- b) Date of Birth \_\_\_\_\_
- c) Father's/Mother's/Spouse's name \_\_\_\_\_
- d) Occupation \_\_\_\_\_
- e) Nationality \_\_\_\_\_
- f) Address \_\_\_\_\_
- g) E-mail Id \_\_\_\_\_
- h) Relationship with the security holder \_\_\_\_\_

**3. In case nominee is a minor:**

- a) Date of Birth \_\_\_\_\_
- b) Date of attaining majority \_\_\_\_\_
- c) Name of guardian \_\_\_\_\_
- d) Address of guardian \_\_\_\_\_

Name of the Security Holder(s)  
 1. \_\_\_\_\_  
 2. \_\_\_\_\_

Signature  
 \_\_\_\_\_  
 \_\_\_\_\_

Name of witness: \_\_\_\_\_

Signature of witness: \_\_\_\_\_

Address of witness: \_\_\_\_\_

Date: \_\_\_\_\_

**MONARCH NETWORK CAPITAL LIMITED**

(FORMERLY KNOWN AS NETWORK STOCK BROKING LIMITED)

CIN: L65920MH1993PLC075393

Regd Off: Office No.901/902, 9<sup>th</sup> 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****24<sup>TH</sup> ANNUAL GENERAL MEETING ON FRIDAY, 29<sup>TH</sup> SEPTEMBER, 2017**

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 **24<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company held on Friday, 29<sup>th</sup> September, 2017 at 12.00 p.m. at Supreme Hospitality, Ozone Activity Centre, Prabhodhan Goregaon, Siddharth Nagar, Goregaon(West) Mumbai-400104.

\_\_\_\_\_

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, 26th September, 2017 (10.00 a.m.) and ends on Thursday, 28th September, 2017 (5.00 p.m.). The voting module shall be disabled byCDSL for voting thereafter.

**INTENTIONALLY LEFT BLANK**

**MONARCH NETWORK CAPITAL LIMITED**

(FORMERLY KNOWN AS NETWORK STOCK BROKING LIMITED)

CIN: L65920MH1993PLC075393

Regd Off: Office No.901/902, 9<sup>th</sup> 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]

**24<sup>th</sup> ANNUAL GENERAL MEETING ON FRIDAY, 29<sup>th</sup> SEPTEMBER, 2017**

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: \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on poll) for me/us on my /our behalf of at the 24th Annual General Meeting of the Company to be held on Friday, 29th day of September, 2017 at 12.00 p.m at Supreme Hospitality, Ozone Activity Centre, Prabhodhan Goregaon, Siddharth Nagar, Goregaon(West) Mumbai-400104 and at any adjournment thereof in respect of such resolution as are indicated below:

**MONARCH NETWORK CAPITAL LIMITED**

Resolution Number	Resolutions	Vote (Optional see note 2)(Please mention no. of Share)		
		For	Against	Abstain
1	<b>Ordinary Business:</b> Ordinary Resolution for adoption of Audited Financial Statements (including Consolidated Audited Financial Statements) for the year ended 31 <sup>st</sup> March, 2017 and the Reports of the Directors' and the Auditors.			
2	Ordinary Resolution for appointment of a director in place of Mr. Vaibhav Shah, Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3	Ordinary Resolution for appointment of M/s. Parekh Shah and Lodha, Chartered Accountants (having FRN 107487W), Mumbai as Statutory Auditors of the Company and to fix their remuneration.			

Affix  
Revenue  
Stamp of  
Rs.1/-

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

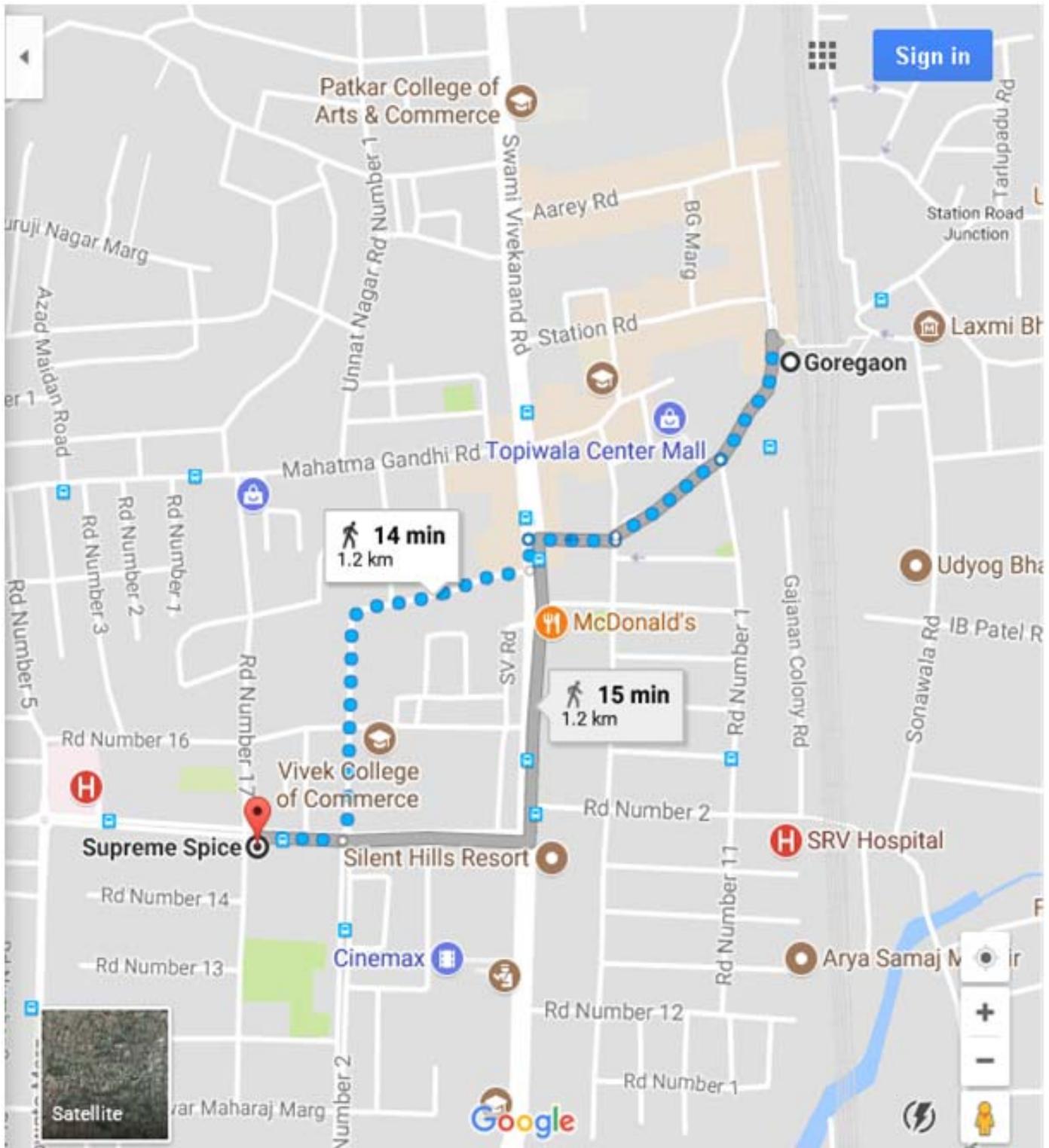
Signature of Member: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

**Note:**

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

ROUTE MAP FOR AGM VENUE:





● Branches  
● Sub-Broker



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

(Formerly known as Network Stock Broking Ltd.)

**Corporate Office:** Monarch House, Opp. Ishwar Bhuwan, 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

