MONARCH
NETWORTH CAPITAL
wealthcare redefined

06th September, 2019

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

Dear Sir,

Scrip Code: 511551
Sub. : Submission of Annual Report for the Financial Year 2018-2019

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 Networth Capital Limited for the financial year 2018-19.

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 Networth Capital Limited

Rupali

Monarch Networth Capital Ltd. Mumbai

Rupali Verma
Company Secretary & Compliance Officer
Membership No.A42923
Encl.: A/a

MONARCH
NETWORTH CAPITAL
wealthcare redefined

financial market simplified

WEALTHCARE REDEFINED

ANNUAL REPORT
2018-2019

MESSAGE FROM MD DESK

Dear Shareholders,

We complete another year – our 29th since 1993 as a broking firm and earlier the group was member of Ahmedabad stock exchange since 1990, and look back at our journey! we were primarily a Capital Markets led organisation. In the last three years we completely re-orchestrated our business model. This phase was essentially the seed for the MNCL of today – Diversified and Bank-like with a variety of businesses spanning almost the entire financial services domain. We completed most of this process by 2016 and our business model re-alignment has helped us to create an organisation with a strong and sustained track record, especially over the last Three years.

FINANCIAL PRODUCTS

- EQUITIES (CASH & DERIVATIVES)
- INVESTMENT BANKING
- CURRENCY & COMMODITY DERIVATIVES
- IPO DISTRIBUTION
- INSURANCE DISTRIBUTION
- MUTUAL FUND DISTRIBUTION
- DEPOSITORY SERVICES
- MERCHANT BANKING
- LOANS AGAINST SHARE
- TAX FREE BONDS & NPS

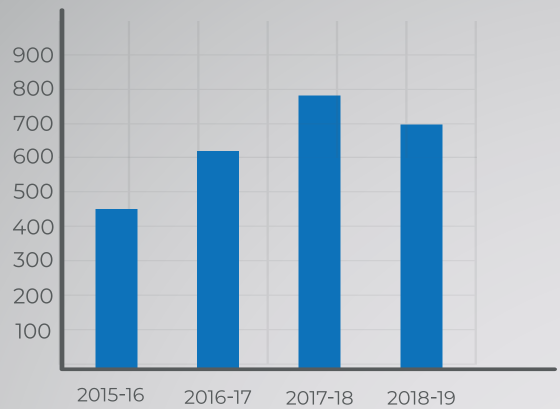
KEY ACHIEVEMENT

Company has been focusing increasing market share on online trading segment. 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 establishe us as a unique entityin this domain.

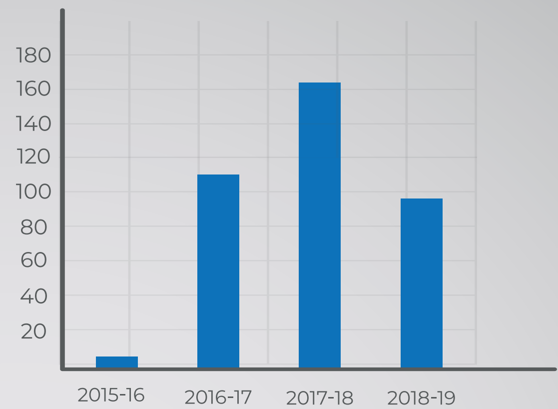
Particualrs	FY17-18	FY18-19	% Change
Registered Clients (Unique) NOS	2,34,190	2,44,002	4.19%
Employees (Live) NOS	653	551	(15.62%)
Own Branches	56	67	19.64%
Business Partners NOS	749	667	(10.95%)
AUM (RS.in Lakhs)	10,747.14	130,44.19	21.37%
Income from WMS Business along with subsidiary (Rs. In Lakhs)	116.19	165.84	42.76%
Loan Business collection from subsidiaries (Rs. In Lakhs)	875.37	584.78	(33.20%)
No. of Awards Received during the year	1	2	100%

STANDALONE FINANCIAL HIGHLIGHTS

Total Revenues Decreased by 17.20% at Rs 708.46 MN in FY: 2018-19 as compared to Rs. 855.61 MN in FY: 2017-18. Operating profits decreased by 44.12 % to Rs 92.29 MN in FY: 2018-19 from Rs 165.16 MN in FY: 2017-18. PAT decreased by 20.12 % to Rs 137.30 MN in FY: 2018-19 from Rs 171.88 MN in FY: 2017-18.



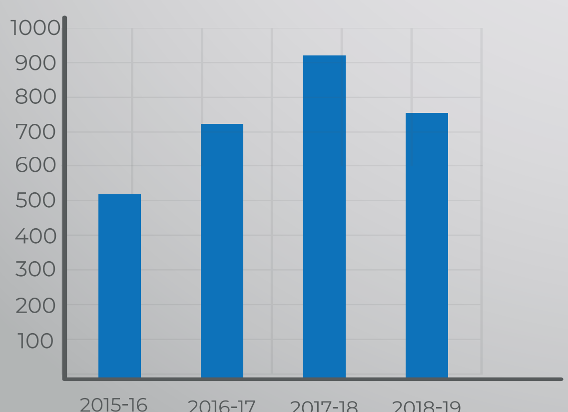
Revenue Standalone (in Rs. million)



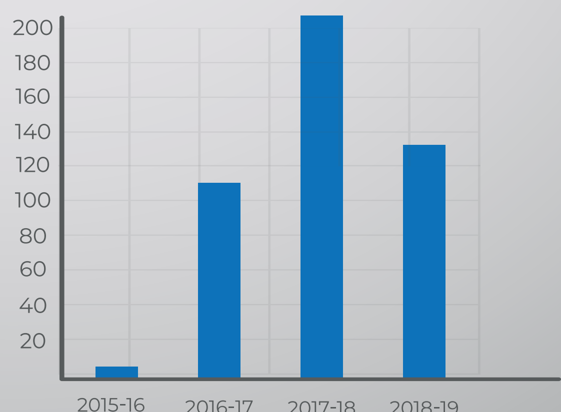
Profit Standalone (in Rs. million)

CONSOLIDATED FINANCIAL HIGHLIGHTS

Total Revenues decreased by 19.26% at Rs 762.23 MN in FY: 2018-19 as compared to Rs 944.05 MN in FY: 2017-18. Operating profits decreased by 44.97 % to Rs 127.22 MN in FY: 2018-19 from Rs 231.18 MN in FY: 2017-18. PAT increase by 30.87 % to Rs 130.54 MN in FY: 2018-19 from Rs 188.82 MN in FY: 2017-18..

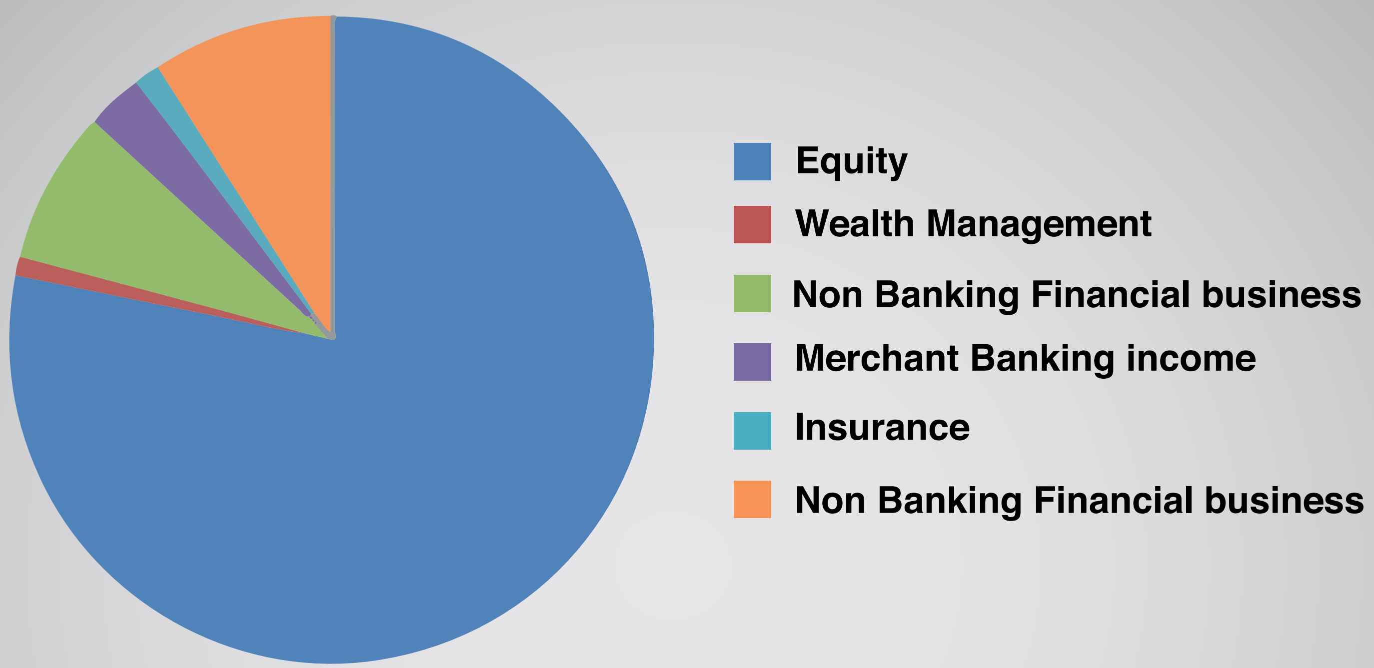


Revenue Consolidated (in Rs. million)



Profit Consolidated (in Rs. million)

SEGMENT WISE CONSOLIDATED REVENUE FOR 2018-19



ECONOMIC OVERVIEW

- World Bank reports India’s economy grew by 7.2 per cent in 2018-19 in contrast to the recent Indian Central Statistical Office (CSO) estimate of only 6.8 per cent growth during the period.

- India moved up by 23 places in the World Bank’s Ease of Doing Business Index 2019 and got 77th rank. This is attributed to 6 reforms this year- starting a business, getting electricity, construction permits, getting credit, paying taxes and trading across borders. The maximum improvement was of 129 places in construction permits to reach 52nd rank in 2018 as compared to 181st in 2017.

- India’s growth forecast is the brightest spot in a grim forecast for the world economy. The report said that the global growth rate was estimated at 3 per cent last year and is forecast to dip steeply to 2.6 per cent this year, before edging up to 2.7 per cent next year and 2.8 per cent in 2021.

- Indian Fiscal Deficit was 3.4% of GDP as against Revised target of 3.3% of GDP for FY 2018-19.

- India is today one of the most vibrant global economies, on the back of robust banking and insurance sectors. The relaxation of foreign investment rules has received a positive response from the insurance sector, with many companies announcing plans to increase their stakes in joint ventures with Indian companies. Over the coming quarters there could be a series of joint venture deals between global insurance giants and local players. The Association of Mutual Funds in India (AMFI) is targeting nearly fivefold growth in assets under management (AUM) to Rs 95 lakh crore (US$ 1.47 trillion) and a more than three times growth in investor accounts to 130 million by 2025.India's mobile wallet industry is estimated to grow at a Compound Annual Growth Rate (CAGR) of 150 per cent to reach US$ 4.4 billion by 2022 while mobile wallet transactions to touch Rs 32 trillion (USD $ 492.6 billion) by 2022.

OTHER MEASURES IN THE FINANCIAL SECTOR

1. The Government has projected the real GDP growth for the year 2019-20 at 7 per cent, on the back of anticipated pickup in the growth of investment and acceleration in the growth of consumption. The Union Minister for Finance and Corporate Affairs, Smt Nirmala Sitharaman tabled the Economic Survey 2018-19.

2. The July, 2019 Updated Report of the World Economic Outlook (WEO) of International Monetary Fund (IMF) has projected India's GDP to grow even higher at 7.0 per cent in 2019.

3. The trade deficit increased from US$ 162.1 billion in 2017-18 to US$ 184 billion 218-19. Merchandise imports reduced from 21.1 per cent to 10.4 per cent. Growth in service exports and imports in US dollar terms declined to 5.5 per cent and 6.7 per cent respectively in 2018-19, from 18.8 per cent and 22.6 per cent respectively in 2017-18..

4. Indian banking sector has been dealing with twin balance sheet problem, which refers to stressed, corporate and bank balance sheets. The increase in Non-Performing Assets (NPA) of banks led to stress on balance sheets of banks, with the Public Sector Banks (PSBs) taking in more stress.

5. Gross Value Added reflected a decline in economic activity, registering a growth of 6.6 per cent in 2018-19, lower than 6.9 per cent in 2017-18. Growth of net indirect taxes was 8.8 per cent in 2018-19, lower than that of 2017-18 on account of loss of momentum of economic activity.

6. Decline in investment rate and fixed investment rate since 2011-12, seems to have bottomed out with some early signs of recovery since 2017-18. Fixed investment growth picked up from 8.3 per cent in 2016-17 to 9.3 per cent in 2017-18 and further to 10.0 per cent in 2018-19.

7. Net Foreign Direct Investment (FDI) inflows grew by 14.2 per cent in 2018-19. Among the top sectors attracting FDI equity inflows, services, automobiles and chemicals were the major categories. By and large, FDI inflows have been growing at a high rate since 2015-16.

GENESIS OF A JOURNEY TO SIMPLIFY WEALTH MANAGEMENT

Monarch Networth Capital is a strategic amalgamation of two leading financial service providers -Monarch Group of Companies and Networth 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 & SIMPLIFYING PROGRESS

Vaibhav Shah

Managing Director - MNCL

Vaibhav Shah is the founder of the Monarch Group (Now Merged with Networth Stock Broking Limited). With his rich experience of more than 26 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 Networth 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

Promoter Group- 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 qaulity 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 21 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 DIIs, 18 FIIs & 6 Insurance companies.

Manju Bafna

Chairman cum Whole time Director - MNCL

Manju Bafna has done her Bachelors in Science from Mumbai University. She has over 25 years in Capital Market & 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 more than 2 decades in the broking services and handles the company's business affairs in the Maharashtra region. He develops the organization's financial strategies and contributes to disseminating financial and accounting information and analysis. He also offers his recommendations to the strategic thinking and provides direction for growth by establishing functional objectives in line with organizational objectives. He has a keen understanding of the capital market. He also oversees the administrative and compliance related affairs of the company along with investment of funds and managing associated risks.

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

FOCUS

In the up- coming FY 19-20 we tend to focus more on Investment advisory services to strengthen customer relation and increasing the stakeholder's value. Under wealth management, we intend to activate our portfolio management services, including rich research services. Further, we plan to prosper the customer growth through adequate and robust online trading system to achieve optimised profitability of organization and its clients, which will lead the company to become technology driven Service Company.

Vaibhav J Shah
Managing Director
- MNCL Group of Company

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Contents

Board of Directors:
Mr. Vaibhav Shah : Managing Director
Mrs. Manju Bafna : Chairman cum Whole-Time Director
Mr. Mayukh Pandya : Independent Director
Mr. Shailesh Desai : Independent Director (Resigned w.e.f. 01.04.2019)
Mr. Chetan Bohra : Independent Director

Chief Executive Officer:
Mr. Gaurav Bhandari (Appointed w.e.f. 10.06.2019)

Chief Financial Officer:
Mr. Ashok Bafna

Company Secretary & Compliance Officer:
Ms. Sophia Jain (Resigned w.e.f. 05.01.2019)
Ms. Rupali Verma (Appointed w.e.f. 07.01.2019)

Registered & Corporate Office:
Office No.901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhawan,
Sonawala Road, Goregaon (East) Mumbai- 400063
Tel.: 022 - 3064 1600, Fax: 022 - 2685 0257
E-mail:cs@mnclgroup.com
Website: www.mnclgroup.com
CIN: L65920MH1993PLC075393

Bankers:
HDFC Bank Ltd.
ICICI Bank Ltd.

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

Internal Auditors:
Akshay Mohnot & 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 : Monday
Date : 30th September, 2019
Time : 11.30 A.M.
Venue : Supreme Hospitality, Ozone Activity Centre, Prabhodhan Goregaon, Siddharth Nagar, Goregaon East, Mumbai - 40010

MONARCH NETWORTH CAPITAL 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: cs@mnclgroup.com, Website: www.mnclgroup.com

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the member's of Monarch Networth Capital Limited will be held on Monday, the 30th day of September, 2019 at 11.30 a.m. at Supreme Hospitality, Ozone Activity Centre, Prabhodhan Goregaon, Siddharth Nagar, Goregaon (West) Mumbai-400104 to transact the following businesses:

ORDINARY BUSINESS:

Item no. 01: To receive, consider and adopt the Audited Financial Statements of the Company (including Consolidated Financial Statements) for the year ended 31st March, 2019 together with the Reports of the Board of Directors' and the Auditors' thereon.

Item No. 02: To appoint a Director in place of Ms. Manju Bafna (DIN: 01459885), Whole Time Director, who retires by rotation and being eligible offers herself for re-appointment.

Item No. 03: Re-appointment of Statutory Auditors of the Company for a second term of five consecutive years.

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, 141, 142 and other applicable provisions of the Companies Act, 2013 together with the Companies (Audit and Auditors) Rules, 2014 including any amendment, modification, variation or re-enactment thereof and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai (FRN: 107487W) be and hereby re-appointed as the Statutory Auditors of the Company to hold office for a second term of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of 31st Annual General Meeting to be held in the year 2024 at such remuneration as may be mutually decided by the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

Item No. 04: Re-appointment of Mr. Mayukh Pandya as an Independent Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mayukh Pandya (having DIN: 00572719), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st December, 2019 to 30th November, 2024, who shall not be liable to retire by rotation."

Item No. 05: Re-appointment of Mr. Chetan Bohra as an Independent Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, Mr. Chetan Bohra (DIN: 03645353), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 13th February, 2020 to 12th February, 2025, who shall not be liable to retire by rotation."

By Order of the Board of Directors
For Monarch Networth Capital Limited

Sd/-
Rupali Verma
Company Secretary & Compliance Officer
Membership No. A42923

Place: Mumbai
Date: 03rd September, 2019

NOTES:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted as at general meeting is annexed hereto.

2. Information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of the Directors seeking re-appointment at the AGM is provided hereunder.

3. As required under SS-2 issued by ICSI, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed to Annual Report and forms part of this Notice.

4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF, AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. 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, PROVIDED THAT THE PERSON DOES NOT ACT AS PROXY FOR ANY OTHER MEMBER.**

5. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamp not been cancelled, will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such proxies shall be considered as invalid.

6. The proxy-holder shall prove his identity at the time of attending the Meeting.

7. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Act, together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting to the Company.

8. **Only bonafide member's of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.**

9. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to bring your folio number/demat account number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.

10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

11. Pursuant to Section 91 of the Act, the Register of Members and Share Transfer books will remain closed from Monday, 23rd day of September, 2019 to Monday, 30th day of September, 2019 (both days inclusive).

12. The Registers under the Companies Act, 2013 will be available for inspection at the Registered Office of the Company during business hours between 11.00 am to 1.00 pm on all working days except on holidays. The said Registers will also be available for inspection by the members at the AGM.

13. **With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.**

14. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular No's 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively has allowed Companies to send official documents to their shareholders electronically as part of its Green Initiatives in Corporate Governance.

15. In case of any queries regarding the Annual Report, members may write to cs@mnclgroup.com; to receive an email response. Members desiring any information relating to the financial statements at the meeting are requested to write to us at least ten (10) days before the meeting to enable us to keep the information ready.

16. Members are requested to forward all Share Transfers and other communications/ correspondence to the Registrar & Share Transfer Agent (RTA) - and are further requested to always quote their Folio Number in all correspondences with the Company.

17. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates or email id 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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 their 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.

24. 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.

25. The Notice of 26th 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.

26. The facility for voting shall be made available at the venue of the Annual General Meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

27. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to the Company's Registrar and Transfer Agent ("RTA") in case the shares are held by them in physical form.

28. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, as per Section 124(6) of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares in respect of which dividend has not been paid/ claimed for a period of seven consecutive years are also liable to be transferred to the demat account of the IEPF. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline. The members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.

29. **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 26th Annual General Meeting to be held on Monday, 30th September, 2019. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The facility for voting either through ballot / polling paper shall be made available at the venue of the Annual General Meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

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 Monday, 23rd September, 2019 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. Monday, 23rd September, 2019, only. The e-voting facility is available at the link www.evotingindia.com

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

(a) The remote e-voting period will commence on Thursday, 26th September, 2019 (09.00 a.m.) and ends on Sunday, 29th September, 2019 (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. Monday, 23rd September, 2019, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

(b) Open web browser during the voting period and log on to the e-voting website www.evotingindia.com

(c) Now click on "Shareholders" to cast vote.

(d) Fill up the following details in the appropriate boxes:

(i) Now Enter User ID
  a. For CDSL: 16 digits beneficiary ID,
  b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(ii) Next enter the Image Verification as displayed and Click on Login.

(iii) Member holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(iv) If member is a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (printed on the address sticker) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
Dividend Bank Details or Date of Birth (DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d)(i).

(e) After entering these details appropriately, click on "SUBMIT" tab.

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

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

(h) Click on the EVSN for **MONARCH NETWORTH CAPITAL LIMITED** on which member chooses to vote.

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

(j) Click on the 'Resolution File Link' to view the entire AGM Notice.

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

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

(m) Member can also take out print of the voting done by clicking on "Click here to print" option on the Voting page.

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

(o) Note for Institutional Shareholders and Custodian:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details, a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor 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 Monday, 30th September, 2019.

(B) General:

(a) In case of any queries regarding e-voting refer to the Frequently Asked Questions (‘FAQs’) and e-voting manual available at www.evotingindia.com under ‘HELP’ section or write an email to helpdesk.evoting@cdslindia.com.

(b) Member can also update mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(c) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of i.e. Monday, 23rd September, 2019.

(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. Monday, 23rd September, 2019, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com.

(e) However, if member already registered with CDSL for remote e-voting then member can use your existing User ID and Password for casting their vote. If member forget password, member can reset their password by using “Forgot User Details/ Password” option available on www.evotingindia.com

(f) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

(g) The facility of voting through polling papers shall also be made available at the venue of 26th AGM for all those members who are present at the AGM but have not Cast their votes by availing the remote e-voting facility. 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

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

Item No. 4 & 5:

The Members had appointed Mr. Mayukh Pandya and Mr. Chetan Bohra as Independent Directors of the Company for a term commencing from 1st December, 2014 to 30th November, 2019 and 13th February, 2015 to 12th February, 2020 respectively for a period of 5 Years.

In respect thereof the Board of Directors on recommendation of the Nomination and Remuneration Committee, has proposed their re-appointment for further term of 5 years as an Independent Directors, not being liable to retire by rotation, upto 30th November, 2024 and 13th February, 2025 respectively.

The Board considers that the proposed re-appointment of Mr. Mayukh Pandya and Mr. Chetan Bohra as Independent Directors, based on skills, experience & knowledge in diverse areas & performance evaluation, will be in the best interest of the Company.

Further to above Mr. Mayukh Pandya and Mr. Chetan Bohra are not disqualified from being re-appointed as Directors in terms of Section 164 of the Act and have consented to act as Directors of the Company.

In terms of Section 149 and other applicable provisions of the Act and as per the criteria set out under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), Mr. Mayukh Pandya and Mr. Chetan Bohra, are eligible to be re-appointed as Independent Directors of the Company and have given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and under the Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, these directors fulfill the conditions specified in the Act read with the Rules made there under and the Listing Regulations, for re-appointment as Independent Directors and they are independent of the management.

The terms and conditions of re-appointment of Mr. Mayukh Pandya and Mr. Chetan Bohra shall be open for inspection at the Registered Office of the Company during normal business hours on any working day of the Company and also at the Meeting.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the re-appointment of Mr. Mayukh Pandya and Mr. Chetan Bohra as Independent Directors is now being placed before the Members in general meeting for their approval.

The Board recommends the resolutions as set out at Item Nos. 4 and 5 of the accompanying Notice for the approval by the Members of the Company by way of Special Resolutions. Mr. Mayukh Pandya and Mr. Chetan Bohra and their relatives, are concerned or interested in the Resolutions mentioned at Item Nos. 4 and 5 of the Notice, respectively relating to their own re-appointment. Other than these Directors, none of the other Directors, Key Managerial Personnel or their respective relatives is concerned or interested in the Resolutions mentioned at Item Nos. 4 and 5 of the Notice.

Mr. Mayukh Pandya and Mr. Chetan Bohra are not related to any other Directors of the Company. The details of the Directors along with a brief resume are given in the Annexure to the Notice.

Additional Information on directors recommended for appointment/re-appointment as required under Regulation 36 (3) of the SEBI (Listing and Obligation Disclosure Requirements) Regulations 2015 at ensuing Annual General Meeting are as follows:

Name of the Director	**Mrs. Manju Bafna**	**Mr. Mayukh Pandya**	**Mr. Chetan Bohra**
DIN	01459885	00572719	03645353
Date of Birth	15th January, 1963	22nd July, 1955	24th August, 1986
Nationality	Indian	Indian	Indian
Qualifications	B. Sc	B. A, L.L.B.	B.Com, C.A
Designation	Whole-Time Director	Independent Director	Independent Director
Experience/Expertise	25 Years of Experience in Administration & Capital Market	38 years in Capital Market & 14 years in Commodity Derivatives Market	11 years in Financial Planning & Financial Arrangement in real estate area
Date of First appointment to the Board Meeting	13th February, 2015	1st December, 2014	13th February, 2015
Number of meeting attended of board in last financial year (18-19)	12	12	12
Terms & Condition for re-appointment	In the event of absence or inadequacy of profits in any financial year during the tenure, remuneration as approved by the Board of Director's i.e. INR 86,675/- p.m. shall be payable as minimum remuneration.	Terms & Condition for re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the website of the Company.	Terms & Condition for re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the website of the Company.
Remuneration last drawn	Rs. 1,16,055/- PM	-	-
Remuneration proposed to be paid	Rs. 86,675/- p.m.	-	-
Shareholding in the Company (Equity shares of Rs. 10/- each)	15,07,500	-	-
List of directorships held in various other Companies	1. Sur-Man Investment Limited 2. Samarpan Properties Private Limited 3. Simandhar Securities Private Limited 4. Monarch Networth Capital IFSC Private Limited 5. Maxgainz Properties Private Limited	1. Merry Share Fin Ltd 2. Shree Ganesh Elastoplast Limited	1. Spr Construction Private Limited 2. Spr Mall Infradevelopers Private Limited
Relationship with existing Directors of the Company	None	None	None

By Order of the Board of Directors
For Monarch Networth Capital Limited

Sd/-
Rupali Verma
Company Secretary & Compliance Officer
Membership No. A42923

Place: Mumbai
Date: 03rd September, 2019

BOARD'S REPORT

To
The Members,
Monarch Networth Capital Limited

On behalf of the Board of Directors (the "Board"), it gives me great pleasure to present the 26th Board's Report of your Company, along with the Balance Sheet, Statement of Profit and Loss and Statement of Cash Flow for the financial year ended March 31, 2019.

FINANCIAL PERFORMANCE:

The standalone and consolidated financial statements for the financial year ended March 31, 2019, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

Key highlights of the financial performance of the Company is summarized below:

(INR. in Lakhs)

Particulars	**Standalone Year ended**		**Consolidated Year ended**	
	Year ended 31st March, 2019	**Year ended 31st March, 2018**	**Year ended 31st March, 2019**	**Year ended 31st March, 2018**
Revenue & other Income	7084.62	8556.07	7622.26	9440.55
Finance Cost	229.47	203.72	477.55	684.84
Depreciation & Amortization Expenses	93.23	89.59	93.23	89.59
Profit before Tax	1533.66	1942.38	1494.27	2152.76
Tax Expenses:				
Short & Excess Tax Provision	14.57	14.70	32.72	14.17
Current Tax	416.22	433.50	424.77	473.50
Deferred tax	22.60	19.35	24.02	20.87
Mat Receivable	(292.70)	(244.00)	(292.70)	(244.00)
Net profit for the year	**1372.97**	**1718.83**	**1305.46**	**1888.22**
Other comprehensive (loss)/income for the year	(25.38)	(48.99)	(25.38)	(48.99)
Total comprehensive income for the year	**1347.59**	**1669.84**	**1279.88**	**1838.24**
Total comprehensive income for the period attributable to:				
Minority Interest	-	-	-	-
Share of Profit/(Loss) from Associates	-	-	-	-
EPS:				
- Basic	4.34	5.38	4.12	5.92
- Diluted	4.34	5.38	4.12	5.92

Note: The Financial Highlights for FY 2018-19 and FY 2017-18 are after giving effect to the merger of erstwhile Networth Insurance Broking Pvt Ltd (NIBPL), Networth Wealth Solution Ltd (NWSL), Monarch Networth Comtrade Ltd (MNCTL) and Networth SoftTech Ltd (NSL) pursuant to the Scheme of Amalgamation with effect from the Appointed Date, i.e. 01st April, 2017, therefore the figures have been accordingly recasted.

Key highlights of the Segment wise financial performance is summarized below:

(INR. in Lakhs)

Particulars	Standalone Year ended		Consolidated Year ended	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
1) Broking	5962.13	7799.97	5961.64	7781.53
2)Wealth Management	71.03	77.72	71.03	77.72
3) Non Banking financial business	-	-	583.98	832.86
4)Merchant Banking Income	220.29	87.80	220.29	87.80
5) Insurance Business	-	-	94.81	38.47
6) Other (Un-allocated)	831.16	590.57	690.51	622.16

DIVIDEND:

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

TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve.

STOCK EXCHANGE:

The Equity Shares of the Company are listed at BSE Limited. The Company has paid the Annual listing fees for the year 2018-2019 to the said Stock Exchange.

BOARD OF DIRECTOR'S

As on March 31, 2019, the Board comprised of two Executive Directors- Mr. Vaibhav Jayantilal Shah- Managing Director and Mrs. Manju Suresh Bafna- Whole –Time Director and Three Non-Executive Independent Director's., out of which one director i.e. Shailesh Desai has resigned. The Company has received necessary declarations from the Independent Directors stating that they meet the prescribed criteria for independence. Based on the confirmations/disclosures received from the Directors under Section 149(7) of the Companies Act 2013 and on evaluation of the relationships disclosed, the following Non-Executive Directors are considered as Independent Directors:

a) Mr. Mayukh Pandya
b) Mr. Chetan Bohra

DECLARARTION 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.

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

DIRECTOR'S AND KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Ms. Manju Bafna (DIN: 01459885), retires by rotation and being eligible, has offered herself for re-appointment.

Your Board recommend's re-appointment of the above Director.

Additional Information on directors recommended for appointment/re-appointment as required under Regulation 36 (3) of the SEBI (Listing and Obligation Disclosure Requirements) Regulations 2015 at ensuing Annual General Meeting is given in the Notice convening 26th Annual General Meeting.

Further to the above Mr. Shailesh Desai, Independent Director of the Company has resigned w.e.f. 1st April, 2019 due to his pre-occupation. Also the Board appointed Ms. Rupali Verma as Company Secretary of the Company w.e.f. 7th January, 2019 in place of Ms. Sophia Jain who has resigned from the post of Company Secretary w.e.f. 5th January, 2019.

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

MEETINGS OF THE BOARD:

The Board met 12 (Twelve) times during the financial year 2018-19, i.e. on 07th April, 2018, 30th May, 2018, 18th June, 2018, 09th August, 2018, 14th August, 2018, 03rd September, 2018, 22nd October, 2018, 14th November, 2018, 04th January, 2019, 07th January, 2019, 12th February, 2019 and 18th March, 2019. The maximum interval between any two meetings did not exceed 120 days.

COMMITTEES OF THE BOARD:

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

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility 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.

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.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) and Section 134(3) (a) of the Companies Act, 2013, extract of the Annual Return as on March 31, 2019 in form MGT-9 is enclosed as **Annexure - I** to this report.

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES:

Upon implementation of the Schemes effective from the Appointed date i.e 01st April, 2017, the Company now has 3 (Three) Subsidiary Companies and 1 (One) Associate Companies as on 31st March, 2019. The Company does not have any Joint Venture.

During the year, the Board of Directors ('the Board') reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries which form part of the Annual Report. Further, a report on the performance and financial position of each of the Company's subsidiaries, joint ventures and associate companies for the financial year ended March 31, 2019 in Form AOC 1 is attached and marked as **Annexure - II** and forms part of this report.

The policy on material subsidiary is available on the Company's website viz. https://www.mnclgroup.com/investor-relation/investor-relation-policy

Further 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 https://www.mnclgroup.com/investor-relation/investor-relation-financials-annual-reports. 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 REMUNERATION:

Pursuant to Section 197(12) 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**.

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

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 – IV**.

CORPORATE GOVERNANCE

Your Company believes in adopting best practices of corporate governance. Corporate governance principles are enshrined in the Spirit of Monarch Networth, which form the core values of the Company. These guiding principles are also articulated through the Company's code of business conduct, Corporate Governance guidelines, charter of various sub-committees and disclosure policy. As per regulation 34 read with Schedule V of Listing Obligations and Disclosure Requirements, Regulations, 2015 LODR, a separate section on corporate governance practices followed by your Company, together with a certificate from VKM & Associates, Practising Company Secretaries, on compliance with corporate governance norms under the Listing Regulations, is provided as **Annexure - V** to this Annual Report.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Pursuant to Section 186 of Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website: https://www.mnclgroup.com/investor-relation/investor-relation-policy;

All Related Party Transactions are placed on a quarterly basis before the Audit Committee and before the Board for approval. Prior omnibus approval of the Audit and the Board is obtained for the transactions which are of a foreseeable and repetitive nature.

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 to the Company. Further disclosure of transactions with related parties is set out as part of the financial statements.

CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy of the Company indicating the activities to be undertaken by the Company which has been approved by the Board. The CSR Policy may be accessed on the Company's website at https://reports.dionglobal.in/mnclgroupadmin/IR_Reports/CSR_Policy_09082018_110752.pdf

The report on Corporate Social Responsibility initiatives as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given as **Annexure - VI**.

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 https://www.mnclgroup.com/investor-relation/investor-relation-policy We affirm that during the financial year 2018-19, 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 form's part of this Annual Report and also hosted on the website of the Company - https://www.mnclgroup.com/investor-relation/investor-relation-policy

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

Your Company recognizes its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination. In Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on prevention of Sexual Harassment of Women at workplace. The policy can be accessed on the website of the Company at the link - https://www.mnclgroup.com/investor-relation/investor-relation-policy.

Your Directors further state that during the fiscal year 2018-19, there were no complaints received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is reported pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a) Number of complaints filed during the financial year: Nil
b) Number of complaints disposed of during the financial year: Nil
c) Number of complaints pending as on end of the financial year: Nil
d) Number of workshops or awareness programme against sexual harassment carried out: The Company has conducted an online training for creating awareness against the sexual harassment against the women at work place.
e) Nature of action taken by the employer or district officer: Not applicable

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.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

INTERNAL AUDITOR:

The Company has re-appointed M/S. Akshay Mohnot & Co, Chartered Accountants, Ahmedabad as its Internal Auditor vide Board Meeting dated 07th April, 2018. 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.

STATUTORY AUDITORS:

The term of office of 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. The Board of Directors of the Company have, subject to approval of the Members on recommendation of the Audit Committee recommended for the reappointment of M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai (having FRN: 107487W) as the Statutory Auditors at the ensuing Annual General Meeting for a period of five years i.e. to hold office from the conclusion of Twenty Sixth Annual General Meeting of the Company till the conclusion of Thirty First Annual General Meeting of the Company to be held in the year 2024.

A resolution proposing reappointment of M/s. Parekh Shah and Lodha, Chartered Accountants, as Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 forms part of the Notice.

The Auditor’s Report for the year ended 31st March, 2019 does not contain any qualification, reservation or adverse remark. Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review. The Auditor’s Report is enclosed with Financial Statements in this Annual Report.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed Mr. Vijay Kumar Mishra, Partner, VKM & Associates, a firm of Company Secretaries in Practice, to conduct Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR-3 for the financial year ended March 31, 2019 is enclosed as Annexure VII to this Report. There are qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report which is stated below:

SECRETARIAL AUDITOR’S REMARKS:

During the year under review, NSE has charged penalty of Rs.35 lacs for diversion of client’s funds and their securities.

Management Comment:

With respect to the Remark(s)/Observations or disclaimer made by the Secretarial Auditors in their Report, we hereby state that we have filed Review Application for the same on 25th April, 2019 and to hearing have been conducted on 1st August, 2019 and 26th August, 2019 by Member Select Committee of NSE and final order is awaited.

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 Earning and Outgo for the year under review are as follows:

(Figures in INR)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Foreign exchange earning	Nil	Nil
Foreign exchange Outgo	Nil	Nil

SCHEMES OF AMALGAMATION:

As part of the group restructuring, the Scheme of Amalgamation between NETWORTH INSURANCE BROKING PRIVATE LIMITED ('NIBPL' or 'the Transferor Company 1'), NETWORTH SOFTTECH LIMITED ('NSL' or 'the Transferor Company2'), NETWORTH WEALTH SOLUTIONS LIMITED ('NWSL' or 'the Transferor Company 3'), MONARCH NETWORTH COMTRADELIMITED ('MNCTL' or 'the Transferor Company 4') with the Company and their respective shareholders have been approved by the National Company Law Tribunal ("NCLT") and have been given effect to from the Appointed Date i.e. 01st April, 2017.

As a result of the group restructuring and implementation of the aforesaid Schemes, the Transferor Companies stand dissolved without winding up. Further in terms of Scheme, the Company has issued and allotted equity shares to the shareholders of Networth Softtech Limited and Monarch Networth Comtrade Limited in the ratio of 13 Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares and 28 Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares held in Transferor Companies respectively.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANYOCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT:

During the year under review and up to the date of this Report, certain material changes took place, the details of which together with their rationale are as under:

a. Amalgamation / Merger:

Pursuant to order dated 09th May, 2019 of Hon'ble National Company Law Tribunal (NCTL), our wholly owned subsidiary company- Networth Insurance Broking Pvt Ltd, Networth Wealth Solution Ltd, our subsidiary company- Monarch Networth Comtrade Ltd and Associate Company- Networth SoftTech Ltd has been amalgamated with the Company with effect from appointed date viz. April 1, 2017.

b. Increase in authorized share capital:

The Authorised Share Capital of the Company has been increased as under by virtue of order dated 09th May, 2019 of Hon'ble National Company Law Tribunal (NCTL) approving the Scheme of Amalgamation:

Share Capital	Pre amalgamation		Post amalgamation	
	No. of shares	Amount (INR)	No. of shares	Amount (INR)
Authorized Share Capital				
5,00,000 - 6% Cumulative Redeemable Preference Shares of INR. 100/- Each	5,00,000	5,00,00,000	5,00,000	50,000,000
60,00,000 Redeemable Preference Shares of INR. 10/- each	60,00,000	6,00,00,000	60,00,000	6,00,00,000
Equity Shares of INR 10/- Each	3,05,00,000	30,50,00,000	5,40,00,000	54,00,00,000
Total	**3,70,00,000**	**41,50,00,000**	**6,05,00,000**	**65,00,00,000**

c. Increase in paid up share capital:

Pursuant to approval of scheme, the Company has alloted 7,37,918 (Seven Lacs Thirty Seven Thousand Nine Hundred Eighteen Only) fully paid up Equity Shares of face value of Rs. 10/- each to the equity shareholders of Transferor Companies as per the Share Exchange Ratio in terms of the Scheme. Accordingly, the paid-up share capital of the Company will get increased to 3,10,49,518 (Three Crores Ten Lacs Forty Nine Thousand Five Hundred Eighteen only) Equity Shares of Rs. 10/- (Rupees Ten only) and the revised Issued, Subscribed and Paid-up Share Capital of the Company will be as under:

Share Capital	Pre amalgamation		Post amalgamation	
	No. of shares	Amount (INR)	No. of shares	Amount (INR)
Issued, Subscribed and Paid-up Share Capital				
Equity Shares of INR10/- Each	3,03,11,600	30,31,16,000	3,10,49,518	31,04,95,180
Total	**3,03,11,600**	**30,31,16,000**	**3,10,49,518**	**31,04,95,180**

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.

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, business partners/ associates, financial institutions and employees and look forward for their continued support in the future as well.
For and on behalf of the Board of Directors

	Sd/-	**Sd/-**
Place: Mumbai	**Vaibhav Shah**	**Manju Bafna**
Date: 03rd September, 2019	**Managing Director**	**Chairman cum Whole-Time Director**

ANNEXURE – I

EXTRACT OF ANNUAL RETURN
Form No. MGT-9
(As on the financial year ended on 31st March, 2019)
[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	2nd December, 1993
iii.	Name of the Company	Monarch Networth 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, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063 Tel: 022-30641600 Fax: 022-2685 0257 Email - cs@mnclgroup.com Website – www.mnclgroup.com
vi.	Whether listed company	Yes BSE Limited
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Pvt. Ltd. D- 153A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020. Tel: 011-26812682/83 Email: admin@skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Security and commodity contracts brokerage	6612	80.46

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	**Monarch Networth Finserve Private Limited** Office no. 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063	U65900MH1996PTC100919	Subsidiary	100.00	2 (87) (ii)
2.	**Monarch Networth Investment Advisors Pvt Ltd.** Monarch House, Nr. Ishwar Bhuwan Cross Road, Nr. Commerce Six Road, Navarangpura Ahmedabad- 380009	U74140GJ2007PTC052348	Subsidiary	99.99	2 (87) (ii)
3.	**Monarch Networth Capital IFSC Pvt Ltd.** Unit No 421, 4th Floor, Pragya Building No-15A, Block No 15A, GIFT SEZ Road 1C, GIFT City, Gandhinagar -382355	U65929GJ2017PTC096239	Subsidiary	99.99	2 (87) (ii)
4.	**Networth Financial Services Limited** Office no.901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400063	U65990MH2004PLC147970	Associate	45.32	2 (6)

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	
A. Promoter									
(1) Indian									
(a) Individual /HUF	18379102	0	18379102	60.63	18100802	0	18100802	59.72	(0.91)
(b) Central Govt.	0	0	0		0	0	0		0.00
(c) State Govts.	0	0	0		0	0	0		0.00
(d) Bodies Corp.	1407000	0	1407000	4.64	1407000	0	1407000	4.64	0.00
(e) Banks / FI	0	0	0		0	0	0		0.00
(f) Others	0	0	0		0	0	0		0.00
Sub-total (A)(1)	**19786102**	**0**	**19786102**	**65.27**	**19507802**	**0**	**19507802**	**64.36**	**(0.91)**
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other-Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
(d) Banks / FI	0	0	0	0	0	0	0	0	0.00
(e) Others	0	0	0	0	0	0	0	0	0.00
Sub-total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of promoters (A)	**19786102**	**0**	**19786102**	**65.27**	**19507802**	**0**	**19507802**	**64.36**	**(0.91)**
B. Public									
(1) Institutions									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks / FI	298845	300	299145	0.99	298845	300	299145	0.99	0.00
(c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
(d) State Govts.	0	0	0	0.00	0	0	0	0.00	0
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
(f) Insurance Co.	0	0	0	0.00	0	0	0	0.00	0
(g) FIIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
(i) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(j) Others	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1)	**298845**	**300**	**299145**	**0.99**	**298845**	**300**	**299145**	**0.99**	**0.00**
(2) Non Institutions									
(a) Bodies Corp.	4195947	11651	4207598	13.88	4556497	11651	4568148	15.07	1.19
(i) Indian	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b)Individuals									
(i) Individual shareholders holding nominal share capital uptoRs. 1Lakh	1858704	248402	2107106	6.95	1852666	238451	2091117	6.90	(0.05)
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	2274871	0	2274871	7.50	2265677	0	2265677	7.47	(0.03)
(c)NBFC s Registered with RBI	10	0	10	0.00	10	0	10	0.00	0.00
(d) Others	0	0	0	0	0	0	0	0	0.00

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	
NRI - Repatriable& Non Repatriable	185648	0	185648	0.61	160252	0	160252	0.53	(0.08)
Hindu Undivided Family	449682	0	449682	1.48	442882	0	442882	1.46	(0.02)
Clearing Members	163050		163050	0.54	18179		18179	0.06	(0.48)
Foreign Bodies-DR	838388	0	838388	2.77	958388	0	958388	3.16	0.39
Qualified Foreign Investor-Corporate	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(2)	**9966300**	**260053**	**10226353**	**33.74**	**10254551**	**250102**	**10504653**	**34.66**	**0.92**
Total Public Shareholding (B)	**10265145**	**260353**	**10525498**	**34.72**	**10553396**	**250402**	**10803798**	**35.64**	**0.92**
C. Shares held by custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
D. IEPF	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C+D)	**30051247**	**260353**	**30311600**	**100.00**	**30061198**	**250402**	**30311600**	**100.00**	**0.00**

ii. Shareholding of Promoters and Promoters' Group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company*	% of shares Pledged / encumbered to total shares	
1.	Mr. Vaibhav Shah	3108815	10.26	0	3108815	10.26	0	0.00
2.	Mrs. Hemangi Shah	100000	0.33	0	100000	0.33	0	0.00
3.	Mr. Ashok Bafna	703500	2.32	0	703500	2.32	0	0.00
4.	Mr. Shailen Shah	703500	2.32	0	703500	2.32	0	0.00
5.	Mrs. Kinnari Shah	1204000	3.97	0	1204000	3.97	0	0.00
6.	Mr. Himanshu Shah	1206000	3.98	0	1206000	3.98	0	0.00
7.	Mrs. Manju Bafna	1507500	4.97	0	1507500	4.97	0	0.00
8.	Mr. Bankim Shah	2206000	7.28	0	2206000	7.28	0	0.00
9.	Mrs. Bela Shah	2406000	7.94	0	2406000	7.94	0	0.00
10.	Mr. Suresh Bafna	2512500	8.29	0	2512500	8.29	0	0.00
11.	Mr. Suresh P Jain	2642137	8.72	0	2442137	8.06	0	(0.66)
12.	Mrs. Kanta Suresh Jain	78300	0.26	0	0	0	0	(0.26)
13.	Mr. Raj Bhandari	850	0.00	0	850	0.00	0	0.00
14.	M/s. Simandhar Securities Pvt. Ltd.	1407000	4.64	0	1407000	4.64	0	0.00
	Total	**19786102**	**65.28**	**0.00**	**19507802**	**64.36**	**0.00**	**(0.92)**

iii. Change in Promoters' Shareholding:

Sr. No.	For each of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Mr. Vaibhav Shah**				
	a) At the Beginning of the Year	3108815	10.26	3108815	10.26
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	3108815	10.26	3108815	10.26
2	**Mr. Suresh Bafna**				
	a) At the Beginning of the Year	2512500	8.29	2512500	8.29
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	2512500	8.29	2512500	8.29
3	**Mrs. ManjuBafna**				
	a) At the Beginning of the Year	1507500	4.97	1507500	4.97
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	1507500	4.97	1507500	4.97

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
4	**Mrs. Hemangi Shah**				
	a) At the Beginning of the Year	100000	0.33	100000	0.33
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	100000	0.33	100000	0.33
5	**Mr. Ashok Bafna**				
	a) At the Beginning of the Year	703500	2.32	703500	2.32
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	703500	2.32	703500	2.32
6	**Mr. Shailen Shah**				
	a) At the Beginning of the Year	703500	2.32	703500	2.32
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	703500	2.32	703500	2.32
7	**Mrs. Kinnari Shah**				
	a) At the Beginning of the Year	1204000	3.97	1204000	3.97
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	1204000	3.97	1204000	3.97
8	**Mr. Himanshu Shah**				
	a) At the Beginning of the Year	1206000	3.98	1206000	3.98
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	1206000	3.98	1206000	3.98
9	**Mr. Bankim Shah**				
	a) At the Beginning of the Year	2206000	7.28		
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	2206000	7.28	2206000	7.28
10	**Mrs. Bela Shah**				
	a) At the Beginning of the Year	2406000	7.94	2406000	7.94
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	2406000	7.94	2406000	7.94
11	**M/s. Simandhar Securities Pvt. Ltd.**				
	a) At the Beginning of the Year	1407000	4.64	1407000	4.64
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	1407000	4.64	1407000	4.64
12	**Mr. Raj Bhandari**				
	a) At the Beginning of the Year	850	0.00	850	0.00
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	850	0.00	850	0.00
13	**Mr. Suresh P Jain**				
	a) At the Beginning of the Year	2642137	8.72	2642137	8.72
	b) Changes during the Year				
	1)Sold on 22/03/2019	(2,00,000)	(0.66)	2442137	8.06
	c) At the end of the Year	2442137	8.06	2442137	8.06
14	**Mrs. Kanta Suresh Jain**				
	a) At the Beginning of the Year	78300	0.26	78300	0.26
	b) Changes during the Year				
	1)Sold on 08/03/2019	(78300)	(0.26)	0	0
	c) At the end of the Year	0	0	0	0

iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs):

	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Metaphor Realty Investments Pvt. Ltd.**				
	a) At the Beginning of the Year	2412000	7.96	2412000	7.96
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	2412000	7.96	2412000	7.96
2	**DSP HMK Holdings Pvt. Ltd.**				
	a) At the Beginning of the Year	502481	1.66	502481	1.66
	b) Changes during the Year				
	1) Sold on 11/05/2018	(2968)	(0.01)	499513	1.65
	2) Sold on 25/05/2018	(12327)	(0.04)	487186	1.61
	c) At the end of the Year	487186	1.61	487186	1.61
3	**Spot Light Securities Pvt. Ltd.**				
	a) At the Beginning of the Year	480545	1.59	480545	1.59
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	480545	1.59	480545	1.59
4	**Sun Capital Advisory Services Private Limited**				
	a) At the Beginning of the Year	0	0	0	0
	b) Changes during the Year				
	1) Purchased on 08/03/2019	76600	0.25	76600	0.25
	2) Purchased on 15/03/2019	8631	0.03	85231	0.28
	3) Purchased on 22/03/2019	102000	0.34	187231	0.62
	4) Purchased on 29/03/2019	101574	0.33	288805	0.95
	c) At the end of the Year	288805	0.95	288805	0.95
5	**M/s. Punjab National Bank**				
	a) At the Beginning of the Year	298845	0.99	298845	0.99
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	298845	0.99	298845	0.99
6	**Ms. Usha Mahendra Sanghvi**				
	a) At the Beginning of the Year	151270	0.50	151270	0.50
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	151270	0.50	151270	0.50
7	**M/s. Teletec Finsec India Pvt. Ltd.**				
	a) At the Beginning of the Year	142045	0.47	142045	0.47
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	142045	0.47	142045	0.47
8	**M/s. Clear Water Commodities Pvt. Ltd**				
	a) At the Beginning of the Year	200500	0.66	200500	0.66
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	200500	0.66	200500	0.66
9	**Mr. Prakash M Sanghvi**				
	a) At the Beginning of the Year	188187	0.62	188187	0.62
	b) Changes during the Year				
	1) Sold: 13/07/2018	(100687)	(0.33)	87500	0.29
	2) Sold: 20/07/2018	100687	0.33	188187	0.62
	c) At the end of the Year	188187	0.62	188187	0.62

	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	**M/s. Nomura Singapore Limited**				
	a) At the Beginning of the Year	838388	2.77	838388	2.77
	b) Changes during the Year				
	Purchase: 13/04/2018	120000	0.39	958388	3.16
	c) At the end of the Year	958388	3.16	958388	3.16
11	**Prithviraj Babulal Bafna**				
	a) At the Beginning of the Year	120000	0.40	120000	0.40
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	120000	0.40	120000	0.40

v) SHAREHOLDING OF DIRECTOR'S AND KEY MANAGERIAL PERSONNEL:

	For each of Directors and KMP's	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company*
1	**Mr. Vaibhav Shah**				
	a) At the Beginning of the Year	3108815	10.26	3108815	10.26
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	3108815	10.26	3108815	10.26
2	**Mrs. Manju Bafna**				
	a) At the Beginning of the Year	1507500	4.97	1507500	4.97
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	1507500	4.97	1507500	4.97
3	**Mr. Chetan Bohra**				
	a) At the Beginning of the Year	0	0.00	0	0.00
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	0	0.00	0	0.00
4	**Mr. Mayukh Pandya**				
	a) At the Beginning of the Year	0	0.00	0	0.00
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	0	0.00	0	0.00
5	**Mr. Shailesh Desai**				
	a) At the Beginning of the Year	21108	0.07	21108	0.07
	b) No Changes during the Year	No Changes During The Year			
	c) At the end of the Year	21108	0.07	21108	0.07
6	**Ms. Sophia Jain, CS**				
	a) At the Beginning of the Year	0	0.00	0	0.00
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	0	0.00	0	0.00
7	**Ms. Rupali Verma, CS**				
	a) At the Beginning of the Year	0	0.00	0	0.00
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	0	0.00	0	0.00
8	**Mr. Ashok Bafna, CFO**				
	a) At the Beginning of the Year	703500	2.32	703500	2.32
	b) Changes during the Year	No Changes During The Year			
	c) At the end of the Year	703500	2.32	703500	2.32

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment: Sent mail to Prashant for these details

(Amount in INR)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	79,84,020	2,24,64,790	-	3,04,48,810
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**79,84,020**	**2,24,64,790**	**-**	**3,04,48,810**
Changes in indebtedness during the financial year				
> Addition	23,44,90,634	-	-	23,44,90,634
> Reduction	(6,60,748)	(1,17,175)	-	(7,77,923)
Net Change	**23,38,29,886**	**(1,17,175)**	**-**	**23,37,12,711**
Indebtedness at the end of the financial year				
i) Principal Amount	24,18,13,906	2,23,47,615	-	26,41,61,521
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**24,18,13,906**	**2,23,47,615**	**-**	**26,41,61,521**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount (in INR)
	Mr. Vaibhav Shah Managing Director	Mrs. Manju Bafna Whole-Time Director	
Gross Salary:			
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	29,78,400	13,92,660	43,71,060
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
- as % of profits	-	-	-
- others, specify	-	-	-
Others, specify	-	-	-
Total	**29,78,400**	**13,92,660**	**43,71,060**
Ceiling as per the Act	As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act.		

ii. Remuneration to other directors:

Sr. No	Particulars of Remuneration	Independent Directors			Total Amount (in INR)
		Mr. Mayukh Pandya	Mr. Shailesh Desai	Mr. Chetan Bohra	
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
	Total	**Nil**	**Nil**	**Nil**	**Nil**
	Ceiling as per the Act	As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act.			

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

Particulars of Remuneration	Name of KMP			Total Amount (in INR.)
	Ms. Sophia Jain	Ms. Rupali Verma	Mr. Ashok Bafna	
	Company Secretary & Compliance Officer	Company Secretary & Compliance Officer	Chief Financial Officer	
Gross Salary:				
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4,66,119	1,36,030	9,00,000	15,02,149
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
- as % of profits	-	-	-	-
- others, specify	-	-	-	-
Others, specify	-	-	-	-
Total	**4,66,119**	**1,36,030**	**9,00,000**	**15,02,149**
Ceiling as per the Act	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 Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A	**COMPANY**	None			
	Penalty/Punishment/Compounding				
B	**DIRECTORS**				
	Penalty/Punishment/Compounding				
C	**OTHER OFFICERS IN DEFAULT**				
	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

(INR. in lakhs)

Particulars	**Monarch Networth Finserve Pvt. Ltd.**	**Monarch Networth Capital IFSC Private Limited**	**Monarch Networth Investment Advisors Pvt Ltd.**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2019	31.03.2019	31.03.2019
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
Equity Share Capital	800.00	5.00	60.00
Reserves	(164.73)	(0.06)	30.55
Total Assets	3353.05	5.13	100.97
Total Liabilities	2717.79	0.19	10.41
Investments (except in subsidiary companies)	0.00	0.00	0.00
Total Turnover	585.87	0.00	94.86
Profit/(Loss) before Taxation	(77.44)	(0.03)	38.06
Provision for Taxation	-	-	8.55
Profit /(Loss) after Taxation	(97.52)	(0.03)	30.02
Proposed Dividend	0.00	0.00	0.00
% of shareholding	100.00	99.99	99.99

1. Names of subsidiary which are yet to commence operations : None
2. 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

(INR. in lakhs)

	Particulars	**Networth Financial Services Ltd**
1.	Latest audited Balance Sheet Date	31.03.2019
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	a. No. of shares	949400
	b. Amount of Investment in Associates/Joint Venture	9494000
	c. Extend of Holding %	45.32
3.	Description of how there is significant influence	45.32% Shares held in the company
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	88.29
6.	Profit / Loss for the year	
	i. Considered in Consolidation	(0.19)
	ii. Not Considered in Consolidation	NA

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

For and on behalf of the Board of Directors

	Sd/-	**Sd/-**
Place: Mumbai	**Vaibhav Shah**	**Manju Bafna**
Date: 03rd September, 2019	**Managing Director**	**Chairman cum Whole-Time Director**

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	11.19:1
2	Ms. Manju Bafna	5.23:1
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	36.54
3	Mr. Ashok Bafna	0
4	Ms. Sophia Jain	0
5	Ms. Rupali Verma	0
(iii)	The percentage increase in the median remuneration of employees in the financial year	2.89
(iv)	The number of permanent employees on the rolls of the Company	880
(v)	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 7.89%
(vi)	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.

	Sd/-	**Sd/-**
	Vaibhav Shah	**Mayukh Pandya**
Place: Mumbai	**Chairman cum Managing Director**	**Chairman of Nomination and**
Date: 03rd September, 2019		**Remuneration Committee**

ANNEXURE A

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 2018-2019, in excess of that drawn by the Managing Director or Whole-Time Director:

Sr No	Name Of Employee	Designation	Remuneration Received (INR) (per annum)	Qualifications And Experience	Date Of Joining	Age	The Last Employment Held	The Percentage Of Equity Shares Held (Including spouse and dependent children)
1	Bankim Jayantilal Shah	Chief Operating Officer	30,00,000	B.Com/ More than 22 years in Securities market & 13 years in commodity derivates	01/01/2015	45 Years	Monarch Research and Brokerage Private Limited	08.27 (Along with spouse)
2	Ashok Daulatraj Bafna	Chief Financial Officer	9,00,000	B.Com/ More than 22 Years of experience in Capital Market.	13/02/2015	47 Years	Monarch Project & Finmarkets Ltd	2.32
3	Shailen Ramesh Shah	President-Institutional Desk	4,44,000	B.Com /More than 22 Years of experience in Capital Market & Institutional Desk	14/11/2014	44 Years	Monarch Project & Finmarkets Ltd	2.32

Notes:

1. Remuneration compromises salary, allowances, commission, performances based payments and company's contribution to PF, Gratuity 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

MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31st March, 2019. 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.

MACRO ECONOMY: REVIEW AND OUTLOOK

The fiscal year of 2019 marked the completion of NDA government's 5 year term, with the nation-wide election results favouring majority for NDA government. The government's thrust was more on digital initiatives and financial inclusion on the forefront. However, India's speedy journey in terms of political and economic reforms faced national as well as international road-blocks in FY2019. Global trade war concerns between US and China made the global markets volatile. Any agreement on the same will be a welcome move, going ahead. At the domestic level, rupee faced volatility due to tightening of US rates and hovering crude oil prices. This was followed by the default of IL&FS in September, 2018 which had a ripple effect on NBFCs and mid-caps, contributing to liquidity issues. However, as BoP situation improved and rupee stabilized towards end of 2018, RBI began to inject liquidity into the banking system. In addition, Fed's unexpectedly dovish tilt in January, 2019, also supported flows to Emerging Markets. As a result, India received nearly US$7 Billion of FII equity flows in Q4FY19.

Structurally, India's future outlook remains optimistic with various fundamentals in favour. Firstly, in the coming years India is poised to gradually become the world's youngest workforce after overtaking China. This combined with an increase in productivity will hugely benefit the economy. Although, IMF has softened the growth rate to 7.3% for FY20 from 7.5% citing weaker global outlook, it continues to maintain the fastest growing status for India.

However, these interim market dislocations impacted India's growth momentum. Exports slowed down in a broad based manner, while liquidity tightening and NBFC's risk aversion impacted pockets of leveraged consumption such as cars, Two wheelers and commercial vehicles. However, there are segments in the economy which are holding up quite well.

On the monetary policy front, RBI has cut rates thrice 2019 so far, reversing the rate hikes of 2018. However, one area where more progress is needed is the transmission of the monetary policy, which is hampered by elevated Credit Deposit ratio in banking system. If the CD ratio starts to normalize, it will facilitate the transmission of policy rate cuts.

On the fiscal front, central government revenues are running slower than projected growth rates both on direct as well as indirect taxes front, although disinvestment receipts have marginally exceeded the budget estimates. In view of this, central government started to slow down the expenditure growth in H2FY19. Overall Central Government fiscal deficit was maintained at 3.4% of GDP. However, government spending is expected to increase in FY 20 as tax revenues pick up due to elimination of operational hiccups in GST and widening tax base.

COMPANY OVERVIEW:

Monarch Networth Capital Limited is a leading player in the Indian financial services space. Monarch Networth Group offers Financing, Wealth Management, Equity, Commodity And Currency Broking, Financial Product distribution, Research and Analyst Services, Portfolio Management Services, acting as Point of Presence under National Pension System, Merchant Banking Services, NBFC Services, IFSC through its various subsidiaries. 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.

Key highlights of the Segment wise financial performance is summarized below:

(INR. in Lakhs)

Particulars	Standalone Year ended		Consolidated Year ended	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
1) Broking	5962.13	7799.97	5961.64	7781.53
2) Wealth Management	71.03	77.72	71.03	77.72
3) Non Banking financial business	-	-	583.98	832.86
4) Merchant Banking Income	220.29	87.80	220.29	87.80
5) Insurance Business	-	-	94.81	38.47
6) Other (Un-allocated)	831.16	590.57	690.51	622.16

SUBSIDIARYCOMPANIES:

As on 31st March, 2019, the Companies had following subsidiaries:

1. Monarch Networth Finserve Private Limited
2. Monarch Networth Investment Advisors Pvt. Ltd.
3. Monarch Networth Capital IFSC Private Limited (incorporated on 14th March, 2017)

OPPORTUNITIES AND THREATS

Opportunities

- Long-term economic outlook positive, will lead to opportunity for financial services
- Growing Financial Services industry's share of wallet for disposable income.
- Regulatory reforms would aid greater participation by all class of investors
- Leveraging technology to enable best practices and processes
- Corporates looking at consolidation/acquisitions/restructuring opens out opportunities for the corporate advisory business

Threats

- Execution risk
- Short term economic slowdown impacting investor sentiments and business activities
- Slowdown in global liquidity flows
- Increased intensity of competition from local and global players
- Market trends making other assets relatively attractive as investment avenues

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.

- Compliance Risk & Responsive strategies: The Company has a full-fledged compliance department manned by knowledgeable and well-experienced professionals in compliance, corporate, legal and audit functions. The department guides the businesses/support functions on all regulatory compliances and monitors implementation of extant regulations/ circulars, ensuring all the regulatory compliances, governance and reporting of the Group.

The Company has put in place adequate systems and controls to ensure compliance with anti-money laundering standards. The Company has implemented business specific Compliance Manuals, limit monitoring systems and AML/ KYC policies and enhanced risk based supervision systems. The compliance requirements across various service points have been communicated comprehensively to all, through compliance manuals and circulars. In the broking business, MNCL has put in place robust surveillance & risk management systems.

- Human Resource Risk & Responsive strategies: Human Resource department has been constantly striving to align with business, implement digital solutions, and build a strong culture of transparency and service orientation within the organisation. The Group continued to put in place people friendly policies and practices in the past year and continues to focus on adopting best practices for its HR policies.

    - The Group also has a strong focus on ensuring that employees are adequately trained in their job functions and on all compliance related trainings.

    - The HR function also ensures all statutory compliances with labour laws and other relevant statutes and ensures that strong background screening standards are in place to minimize any risk of fraud from incoming employees

- Reputation Risk & Responsive strategies : Over the years, the Company has fostered a culture that enables operating managers to say ‘No’ to poor quality business and eschewing from adopting short cuts and stopgap alternatives. In addition, it has in place stringent employee code of conduct and trading guidelines, which are to be followed by every employee. The Company’s policy and processes ensure close monitoring and strict disciplinary actions against those deviating from the same.

  The organization pays special attention to issues that may create a Reputational risk. Events that can negatively impact the organization position are handled cautiously ensuring utmost compliance and in line with the values of the organization.

- Risk Culture & Responsive strategies: Risk management is integral to the Company’s strategy. A strong risk culture is designed to help reinforce resilience by encouraging a holistic approach to the management of risk throughout the organization.

  The Company has, over the years, invested in people, processes and technology to mitigate the risks posed by the external environment and by its borrowers. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and addressed in a timely manner to ensure minimal impact on the Company’s growth and performance. The Company has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage.

- 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 2018-19 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.

o The Company provides excellent working environments that the individual staff can reach his/her full potential.
o The Company is poised to take on the challenges and march towards accomplishing its mission with success.
o 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, 2019 stood at 1010.

DISCUSSION ON FINANCIAL/OPERATIONAL PERFORMANCE (STANDALONE BASIS) (ON THE BASIS OF IND-AS):

Particulars	2018-19	2017-18	2016-17
Total Revenue	625,346,218	733,453,858	540,993,720
EBIDTA	152,458,290	188,042,558	139,560,201
PBT	153,366,281	178,616,608	126,588,959
PAT	137,296,425	161,529,453	112,289,031
Total Comprehensive Income for the year	134,758,972	156,630,935	117,456,789
EPS	4.34	5.17	3.87

ENVIRONMENTAL ISSUES:

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

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR:

Standalone			
	FY-2018-19	FY-2017-18	Reason If changes done more then 25%
Debtors Turnover	0.65	0.51	-
Inventory Turnover	NA	NA	-
Interest Coverage Ratio	7.64	11.01	Due to reducton of EBIDTA for current financial year
Current Ratio	1.24	1.05	-
Debt Equity Ratio :	0.35	0.08	Since there is increase in debtors by 12 Crore and increase in short term loan placed as client margin in exchange,amount of debt Increase
Operating Profit Margin (%)	14.75%	20.73%	-
Net Profit Margin (%)	19.38%	20.08%	-

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:

	Standalone	
	FY-2018-19	FY-2017-18
RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR	16.25%	23.72%

Explanation : Due to market circumstances brokerage income reduce in current financial year as compared to the Immediately previous financial year

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.

For Monarch Networth Capital Limited

Vaibhav Shah
Chairman & Managing Director

Place: Mumbai
Date: 03rd September, 2019

ANNEXURE V

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, 2019, 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, 2019 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, 2019 are given herein below. Other directorships do not include directorships of 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 2018-19, 12 (Twelve) meetings of Board of Directors were held on viz.,07th April, 2018, 30th May, 2018, 18th June, 2018, 09th August, 2018, 14th August, 2018, 03rd September, 2018, 22nd October, 2018, 14th November, 2018, 04th January, 2019, 07th January, 2019, 12th February, 2019 and 18th March, 2019.

The details of composition of the Board of Directors, their attendance at each Board meeting held during the financial year 2018-2019 and at the last Annual General Meeting, their directorships in other public companies and positions in various Committees are as follows:

Name	Category	No. of Board Meetings Held	No. of Board Meetings Attended	Whether attended last AGM	As on 31st March, 2019 (Excluding position in the Company)		
					No. of Director ships	Committee	
						Chairman ship(s)	Member ship(s)
Mr. Vaibhav J. Shah	P/MD/ED	12	12	No	2	–	–
Mrs. Manju S. Bafna	C/P/ED	12	12	Yes	5	–	–
Mr. Mayukh Pandya	I/NED	12	12	No	2	-	3
Mr. Shailesh Desai*	I/NED	12	12	No	1	-	2
Mr. Chetan Bohra	I/NED	12	12	No	2	–	–

*Resigned w.e.f. 01st April, 2019

Details of Directorship in other listed entity(s)

Category of Directorship	Category of Directorship	Category of Directorship
Mr. Mayukh Pandya	Shree Ganesh Elastoplast Limited	Non Executive - Independent Director

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 foreign companies and companies registered under Section 8 of the Companies Act, 2013.

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

vii. During the year, a separate meeting of the Independent Directors of the Company was held on 12th February, 2019 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole and the quality, quantity and timeliness of flow of information between the Company management and the Board. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

viii. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

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

The induction process is designed to:

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

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

x. During the year 2018-19, 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, 2019 are given below:

Name	Category	Number of equity shares
Mr. Vaibhav J. Shah	Non-Independent, Executive	31,08,815
Mrs. Manju S. Bafna	Non-Independent, Executive	15,07,500
Mr. Mayukh Pandya	Independent, Non-Executive	Nil
Mr. Shailesh Desai	Independent, Non-Executive	21,108
Mr. Chetan Bohra	Independent, Non-Executive	Nil

Key Board qualifications, expertise and attributes

The Company's Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensure that the Company's Board is in compliance with the highest standards of corporate governance.

The list of core skills/expertise/competencies identified by the Board in the context of the business of the Company and which are available with the Board are as under:

- General Management and Business Operations
- Leadership
- Senior Management Expertise
- Public Policy/Governmental Regulations
- Accounting/Finance/Legal
- Risk Management
- Human Resources Management
- Corporate Governance
- Business Development

3. COMMITTEES OF THE BOARD:

The Board of Director's of the Company has constituted the following Committees:

(i) Audit Committee
(ii) Stakeholders' Relationship Committee
(iii) Nomination and Remuneration Committee
(iv) Corporate Social Responsibility Committee

I. AUDIT COMMITTEE:

a) The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013.

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

c) Terms of reference:

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

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with management, the quarterly/half yearly/ annual financial statements before submission to the Board for approval with particular reference to:

- ❖ Matters required to be included in the Directors' Responsibility Statement.
- ❖ Changes, if any, in accounting policies and practices and reasons for the same.
- ❖ Major accounting entries involving estimates based on the exercise of judgment by the management.
- ❖ Significant adjustments made in the financial statements arising out of audit findings.
- ❖ Compliance with listing and other legal requirements relating to financial statements.
- ❖ Disclosure of related party transactions.
- ❖ Qualifications in draft audit report.
- ❖ Recommending the appointment/re-appointment/removal of statutory auditors, fixation of audit fees and also approval of payments for any other services.

- Reviewing with management, Statutory and internal auditor's adequacy of the internal control systems.

- Discussing with internal and statutory auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them

.

- Reviewing the Company's financial and risk management policies.

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

- Scrutiny of inter-corporate loans and investments

- Approval or any subsequent modification of transactions of the Company with related parties

- Valuation of undertakings or assets of the company, wherever it is necessary; Evaluation of internal financial controls and risk management systems

- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed

- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company

- The audit committee shall review the information required as per SEBI Listing Regulations.

d) The quorum of the Committee is two independent members present or one third of the total members of the Committee, whichever is higher. As on 31st March, 2019 the Audit Committee consists of 3(Three) Non-Executive/Independent Directors.

e) During the financial year 2018-19, the members of Audit Committee met 08 (Eight) times on 07/04/2018, 30/05/2018, 18/06/2018, 09/08/2018, 14/08/2018, 03/09/2018, 14/11/2018 and 12/02/2019. The Composition and attendance of the members of the Audit Committee during the financial year 2018-19 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya	Chairman	08	08
Mr. Shailesh Desai	Member	08	08
Mr. Chetan Bohra	Member	08	08

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.

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 2018-19, the members of Nomination and Remuneration Committee met 6 (Six) times on 30/05/2018, 09/08/2018, 14/08/2018, 03/09/2018, 14/11/2018 and 07/01/2019.

d) The Composition and attendance of the members of the Nomination and Remuneration Committee during the financial year 2018-19 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya	Chairman	06	06
Mr. Shailesh Desai	Member	06	06
Mr. Chetan Bohra	Member	06	06

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

e) Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are 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.

1. Selection:

- Any person to be appointed as a Director on the Board of Director of the Company or as KMP or Senior Management Personnel, including Independent Directors, shall possess appropriate skills, experience and knowledge in one or more fields of sciences, actuarial sciences, banking, finance, economics, law, management, sales, marketing, administration, research, corporate governance or technical operations.

- Any person to be appointed as a Director on the Board of the Company shall possess the relevant experience and shall be able to provide policy directions to the Company, including directions on good corporate governance.

- While appointing any person as Chief Executive Officer, Managing Director or a Whole-time director of the Company, his / her educational qualification, work experience, industry experience, etc. shall be considered.

2. Remuneration:

- Remuneration of Executive Directors:

  i. At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination &Remuneration Committee and the Board of Directors) and the Executive Directors within the overall limits prescribed under the Companies Act.

  ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

  iii. The remuneration of the Executive Directors is broadly divided into fixed component.

  iv. The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits.

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

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

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

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

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

- **Remuneration of Senior Management Employees:**

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

i. The relationship of remuneration and performance benchmark;

ii. The components of remuneration includes salaries, perquisites and retirement benefits;

iii. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

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

Details of remuneration/sitting fees paid to the Directors and number of shares held by them in the Company during the financial year 2018-19 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	29,78,400	-	-	-	29,78,400	31,08,815
Mrs. Manju S. Bafna	Executive Director	13,92,660	-	-	-	13,92,660	15,07,500
Mr. Mayukh Pandya	Independent Director	-	-	-	-	-	-
Mr. Shailesh Desai	Independent Director	-	-	-	-	-	21,108
Mr. Chetan Bohra	Independent Director	-	-	-	-	-	-

* 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 2018-19, the members of Stakeholders' Relationship Committee met 4 (Four) times on 30/05/2018, 03/09/2018, 14/11/2018 and 12/02/2019.

d) The Composition and attendance of the members of the Stakeholders' Relationship Committee during the financial year 2018-19 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Mayukh Pandya	Chairman	04	04
Mr. Shailesh Desai	Member	04	04
Mr. Chetan Bohra	Member	04	04

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

Ms. Rupali Verma
Company Secretary and Compliance Officer
Monarch Networth 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: cs@mnclgroup.com
Website: www.mnclgroup.com

f) Details of Status of Investors' Complaints during the year 2018-19 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. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The CSR Committee of the Board comprising of the following members:

Member's name	Category	Designation
Mr. Mayukh Pandya	Non Executive Independent Director	Chairman
Mr. Vaibhav Shah	Managing Director	Member
Mrs. Manju Bafna	Whole-Time Director	Member

During the financial year 2018-19, the members of the Committee met on 30/05/2018 & 14/11/2018.

The Company has adopted a CSR policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act. The contents of the CSR policy are also available on the Company's website at https://www.mnclgroup.com/investor-relation/investor-relation-policy;

The terms of reference of CSR shall, inter-alia, include the following:

a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;

b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

c. To monitor the CSR policy of the Company from time to time;

d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

V. GENERAL BODY MEETINGS:

a) Annual General Meetings:

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

Financial Year	AGM	Date of AGM	Time	Location of the meeting
2017-18	25th	28th September, 2018	11.30 a.m.	Supreme Hospitality, Ozone Activity Centre, Prabhodhan Goregaon, Siddharth Nagar, Goregaon (West), Mumbai – 400 104
2016-17	24th	29th September, 2017	12.00 p.m.	Supreme Hospitality, Ozone Activity Centre, Prabhodhan Goregaon, Siddharth Nagar, Goregaon (West), Mumbai – 400 104
2015-16	23rd	30th September, 2016	12.00 p.m.	Jayleela Banquet, Opp. Railway Nagar, Sonawala Road, Goregaon (East), Mumbai – 400 063, Maharashtra

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

Date of AGM	Purpose of Resolution
28th September, 2018	1. Re-Appointment of Mrs. Manju Bafna as Whole Time Director of the Company. 2. Re-Appointment of Mr. Vaibhav Shah as a Managing Director of the Company.
29th September, 2017	No Special Resolution passed.
30th September, 2016	No Special Resolution passed.

c) Details of Extra Ordinary General (Court Conveyed) Meeting of Equity Shareholders:

Date	Time	Location of the meeting	Resolution passed
16th February, 2019	09.00 a.m.	The Roa Hotel Plot No. 333, LBS Rd, Gangawadi, Ghatkopar West, Mumbai, Maharashtra 400086	Approval of members for the Scheme of Amalgamation of NETWORTH INSURANCE BROKING PRIVATE LIMITED (‘NIBPL’ or ‘the Transferor Company 1’), NETWORTH SOFTTECH LIMITED (‘NSL’ or ‘the Transferor Company 2’), NETWORTH WEALTH SOLUTIONS LIMITED (‘NWSL’ or ‘the Transferor Company 3’), MONARCH NETWORTH COMTRADE LIMITED (‘MNCTL’ or ‘the Transferor Company 4’) with the Company and their respective shareholders (“Scheme”).

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

VI. MEANS OF COMMUNICATIONS:

a. The quarterly, half-yearly and annual results of the Company are forwarded to BSE Limited where the shares of the Company are listed and published in “Business Standard” (English) and Mumbai Lakshadeep (Marathi). The results are also displayed on the Company’s website at www.mnclgroup.com.

b. The Management Discussion and Analysis for the year ended 31st March, 2019 is part of Annual Report and annexed separately.

c. The Company has not made any presentations/press release to Institutional Investors or to the Analysts during the year under review.

VII. GENERAL SHAREHOLDER'S INFORMATION:

a. Annual General Meeting for Financial year 2018-19:

Date	:	30th September, 2019
Day	:	Monday
Time	:	11.30 a.m.
Venue	:	Supreme Hospitality, Ozone Activity Centre, Prabhodhan Goregaon, Siddharth Nagar, Goregaon(West) Mumbai-400104

b. Financial Calendar:

Financial Year: 1st April to 31st March
AGM in: September

Financial Calendar (Provisional for 2019-20):

Subject Matter	Tentative Dates of the Board Meeting
First Quarter Results	On 14th August, 2019.
Second Quarter Results	By 14th November, 2019.
Third Quarter Results	By 14th February, 2020.
Fourth Quarter/ Yearly Results	By 30th May, 2020 (Audited Results)

Date of Book Closure/Record Date: 23rd September, 2019 to 30th September, 2019

c. **Listing on Stock Exchange:** The Equity Shares of the Company are listed on the BSE Limited. Listing Fees as applicable have been paid.

d. **Stock Code & ISIN:**
Stock Code: 511551,
Demat ISIN Number in NSDL & CDSL: INE903D01011

e. **Corporate Identity Number (CIN) of the Company**: L65920MH1993PLC075393

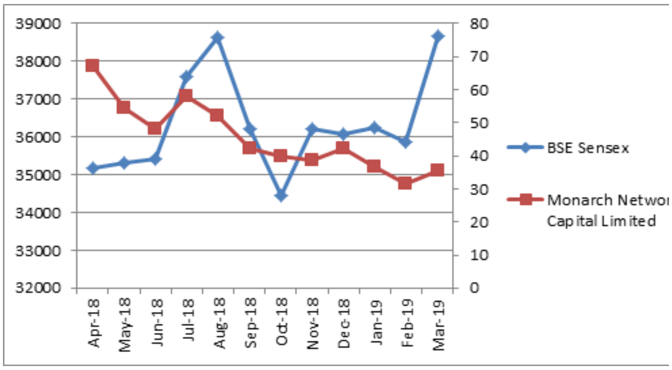
f. **Market Price Data:**

High & Low price of the Equity Shares of the Company at BSE Ltd. during each month for the year 2018-19 as compared to BSE SENSEX points are as follows:

Month	Price on BSE (INR.)*		BSE Sensex (Points)*	
	High	Low	High	Low
April 2018	77	59.05	35213.3	32972.56
May 2018	68.45	52	35993.53	34302.89
June 2018	62	42.05	35877.41	34784.68
July 2018	59	42.1	37644.59	35106.57
August 2018	60.95	51.1	38989.65	37128.99
September 2018	59.9	40	38934.35	35985.63
October 2018	47.5	37.35	36616.64	33291.58
November 2018	44.6	37.2	36389.22	34303.38
December 2018	47.9	36.5	36554.99	34426.29
January 2019	44.45	35.55	36701.03	35375.51
February 2019	44	30	37172.18	35287.16
March 2019	40.7	31	38748.54	35926.94

*Source: www.bseindia.com

g. Performance of Monarch Networth Capital Limited Share Price in comparison with BSE Sensex :



*Source: www.bseindia.com

h. Registrars and Transfer Agents details:

Name & Address:
Skyline Financial Services Private Limited
Unit – Monarch Networth 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

i. Share Transfer System:

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

j. Shareholding Pattern as on 31st March, 2019:

i. Distribution Schedule as on 31st March, 2019:

Slab of Shares Holding	Number of Share Holders	% to total number of holders	Shareholding Amount	%to total Number of Shares
Up To 5,000	4120	80.41	6330820	2.09
5001 To 10,000	400	7.81	3383100	1.12
10001 To 20,000	234	4.57	3668460	1.21
20001 To 30,000	101	1.97	2537880	0.84
30001 To 40,000	50	0.98	1781690	0.59
40001 To 50,000	41	0.8	1912020	0.63
50,001 To 100000	67	1.31	4997810	1.65
10001 and above	111	2.17	278504220	91.88
TOTAL	**5124**	**100.00**	**303116000**	**100.00**

ii. Categories of equity shareholding as on March 31, 2019:

Categories	No of Shareholders	No. of Shares	% of shareholding
Promoters	14	19507802	64.36
Foreign Portfolio Investors	1	838388	3.16
Financial Institution/Banks	2	299145	0.99
FIIs	0	0	0
Non- Resident Indians	36	185648	0.53
Bodies Corporate	110	4207598	15.07
NBFCs Registered with RBI	1	10	0.00
Clearing Members/House	13	163050	0.06
Resident Indian HUF	161	449682	1.46
Indian Public	5024	4381977	14.37
Total	**5362**	**30311600**	**100.00**

iii. Dematerialization of Equity Shares and Liquidity

As on 31st March, 2019, 99.17% 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. Rupali Verma,
Company Secretary and Compliance Officer
Monarch Networth Capital Limited
Office no.901/902, 9th Floor,
Atlanta Centre, Opp. Udog Bhawan,
Sonawala Road, Goregaon (East),
Mumbai-400063
Telephone: 022-30641600 Fax No: 022-26850257
Email: cs@mnclgroup.com
Website: www.mnclgroup.com

VIII. OTHER DISCLOSURES:

a. Related Party Transactions:

There were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors during the financial year ended 31st March, 2019 that may have potential conflict with the interest of the Company at large. The transactions with the related parties, as per the requirements of the Accounting Standard (AS) 18, are disclosed in the Notes on Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transaction is available on Company's website at www.mnclgroup.com

b. Compliance related to Capital Market:

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years 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 except as stated in **Annexure B**.

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.

<u>Written communication to:</u>
Ms. Rupali Verma
Company Secretary
Monarch Networth Capital Limited
Office No. 901/902, 9thFloor, Atlanta Centre,
Opp. Udyog Bhavan, Sonawala Road,
Goregoan (East), Mumbai 400063
E-mail: cs@mnclgroup.com
Phn: 022 – 3064 1600
Fax: 022 -2685 0257

The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and direct access to the Chairman of the Audit Committee is also available in exceptional cases. 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., https://www.mnclgroup.com/investor-relation/investor-relation-policy

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:

a) 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.
b) Audit qualifications: Company's financial statements are unqualified.
c) 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 is 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

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 statement's 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, 2019, the Company had following subsidiaries:

1. Monarch Networth Finserve Private Limited
2. Monarch Networth Investment Advisors Pvt Ltd.
3. Monarch Networth 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

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, 2019.

For Monarch Networth Capital Limited

Sd/-
Vaibhav Shah
Managing Director

Place: Mumbai
Date: 03rd September, 2019

Annexure B

Date	Details of the case	Observation summary	Name of Statutory Authority	Strictures/ Penalties imposed
31-08-16	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 (hereinafter referred to as 'Broker Regulations, 1992) (after the amendment, Regulation 9 (f) of the SEBI (Stock Broker and sub broker) (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 Rs. 5,00,000/-
21-04-16	SEBI - G G Automotives	The Whole Time Member of SEBI has passed an order of suspension of BSE Registration Certificate for a period 30 days on account of Synchronization and Circular trading in the scrip of G G Automotives Ltd and 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 segment was suspended from 21/05/2016 to 20/06/2016.
27-02-18	Regular Inspection – CM, FO and CD Segments (2016-17)- Month of Inspection- February 2017	Levy of monetary penalty of Rs.3,15,300/- for the violations viz; observation pertaining to use of client's funds and securities, non-settlement of client accounts, non-remittance of dividend to clients and terminals not found at the location reported to Exchange.	NSE	Monetary Penalty of Rs.3,15,300/-
05-04-19	Non-compliance in market making for security Felix Industries Limited ('Felix') in the SME segment of the Exchange	(a) MSC considered the submission of Notice and noted that, Notice was not able to comply with the requirement of being a market maker. (b) The Committee also noted that Notice being a market maker for 'FELIX' failed to fulfill its obligations and responsibilities during the continuous period from November 01, 2018 to November 12,2018 (7 days) in providing a 2-way quote for 75o/o of the time in a day. (c) The Committee further noted that as per the SEBI circular CIR/MRD/DP/ 14 12010 dated April 26,2010 all the requirements with regard to market making is required to be monitored by the Stock Exchange and any violation of these requirements would is liable for punitive action to be taken by the MSC (erstwhile Disciplinary Action Committee (DAC)) of the Exchange, which may also include monitory penalty apart from the trade restriction as decided by the MSC under intimation to the Merchant Banker.	NSE	Monetary Penalty of Rs. 5000/-
05-04-19	Regular inspection conducted during the FY 17-18	1. Funds raised by pledging client securities not used for respective clients' obligation. 2. Receipt and payments of funds are transacted through own bank account	NSE	Monetary penalty of Rs. 35,00,000/-. And We have filed review Application for the same and awaiting the further updates from NSE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of MONARCH NETWORTH CAPITAL LIMITED

We have examined the compliance of conditions of Corporate Governance by Monarch Networth Capital Limited, for the year ended on 31st March 2019, 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 : 03rd September, 2019

Certificate under Regulation 34(3) of SEBI Listing Regulations

We have examined the relevant records, registers, forms, and documents of Monarch Networth Capital Limited (the company), having CIN L65920MH1993PLC075393 and registered office at Office No. 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon East, Mumbai- 400063, maintained and produced before us, and the records available in public domain, for the year ended 31st March, 2019 for the purpose of issuing the certificate under regulation 34(3), read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Based on our examination of the records, documentation as well as information and explanation furnished to us, including the disclosures from the Directors of the company, which to the best of our knowledge and belief were necessary for the purposes of certification, we hereby certify that in our opinion and according to the best of our information and belief, none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Director of company.

For VKM & Associates

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

Place : Mumbai
Date : 03rd September, 2019

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 Networth Capital Limited

We hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2019 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 Networth Capital Limited

Vaibhav Shah	**Ashok Bafna**
Managing Director	**Chief Financial Officer**
Date: 30th May, 2019	**Date: 30th May, 2019**

ANNEXURE VI

CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. :** MNCL believes in a philosophy of adopting sustainable business practices which are beneficial to the various stakeholders including the society. Through its corporate values, MNCL constantly endeavors' to actively contribute to the social and economic development of the communities in which it operates. MNCL has always believed in giving back to the society and recognized its role and responsibility as a corporate citizen. MNCL has social values ingrained into its culture and manner of working. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which it operates. To further the Company's CSR philosophy, a formal policy on CSR is being formulated to align its practices with requirements of Companies Act, 2013 and rules made thereunder. The Board of Directors (Board) adopted the CSR Policy (Policy) on May 30, 2018 which is available on the Company's website: https://www.mnclgroup.com/investor-relation/investor-relation-policy; The Company is in alignment with the CSR Activities i.e to focus & to take initiatives in the field of Education, Health, Livelihoods and Rural and Urban infrastructure, promoting health care including preventive health care and promoting gender equality, empowering women. In implementing its CSR Activities, the Company may choose to partner with a registered trust, society or a Section 8 company that fulfill all requirements of Section 135 of Companies Act, 2013. The Company may collaborate or pool resources with other entities within the Group to undertake CSR Activities. The Company may also enter into partnerships with the government, business partners and communities to achieve a significant impact of the social projects.

2. **The Composition of the CSR Committee:** The Board of Directors of the Company shall constitute a committee called the "Corporate Social Responsibility Committee" ("CSR Committee") in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The CSR Committee will consist of 3 or more directors or such other number of directors as the Board of Directors of the Company may determine from time to time. The Composition of Committee is as follow:

Member's name	Category	Designation
Mr. Mayukh Pandya	Non Executive Independent Director	Chairman
Mr. Vaibhav Shah	Managing Director	Member
Mrs. Manju Bafna	Whole-Time Director	Member

The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit.

Subject to provisions of Companies Act, 2013 and rules made thereunder, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as per such guidelines as it deems fit.

3. **Average net profit of the company for last three Financial Years:** INR 10,00,89,110/-

4. **Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above):** INR 20,01,782/-

5. **Details of CSR spent during the Financial Year:**

(a) Total amount to be spent for the Financial Year: INR 20,01,782/-
(b) Amount unspent, if any: INR Nil
(c) Manner in which the amount spent during the financial year 2018-19 is detailed below.

CSR project or activity identified	Sector in which the Project is covered	Location of the project/ program	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs. Sub heads- (a) Direct expenditure& (b) Overheads	Cumulative expenditure upto the reporting period	Amount spent - Direct or through implementing agency
Activity identified w.r.t. Shri Jagatbharti Education & Charitable Trust: Women Development through self help group training, education development, rural development, training and skill up gradation for women handicraft artisans	Promoting Education, promoting gender equality and empowering women, promoting health care including preventinve health care	Gujarat	18,01,782/-	-	18,01,782/-	Through Implementing Agency (Shri Jagatbharti Education & Charitable Trust)
Activity identified w.r.t. Yuva Unstoppable Education, Health, Livelihoods and Rural and Urban infrastructure, promoting health care including preventive health care and promoting gender equality, empowering women	Education, Health, Livelihoods and Rural and Urban infrastructure, promoting health care including preventive health care and promoting gender equality, empowering women	Gujarat	2,00,000/-	-	2,00,000/-	Through Implementing Agency (Yuva Unstoppable)

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:** NA

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:** The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company

For Monarch Networth Capital Limited

Vaibhav Shah	**Mayukh Pandya**
Managing Director	**Chairman CSR Committee**
Date: 03rd September, 2019	**Date: 03rd September, 2019**

ANNEXURE VII

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019
[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 Networth Capital Limited
Office no.901/902, 9thFloor,
Atlanta Centre, Opp.UdyogBhavan,
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 Networth 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, 2019 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 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
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 thereunder 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, 2018 - Not applicable as the company has not issued any shares during the year under review;
   (d) Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014- 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, 2018 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review

6. Other Laws applicable to the Company;
   i. The Bombay Shops and Establishments Act, 1948.
   ii. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
   iii. The Employees' State Insurance Act, 1948
   iv. The Maharashtra Labour Welfare Fund Act, 1953.
   v. The Environment (Protection) Act, 1986.

vi. The Public Liability Insurance Act, 1991
vii. The Maharashtra Pollution and Control Board Circulars and its Standing Orders.

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 accept as under.

1. During the year under review, NSE Has charged penalty of Rs.35 lacs for diversion of client's funds and their securities.

We further report that:-

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

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

- 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

Place: Mumbai
Date: 03/09/2019

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

"ANNEXURE A"

TO,
THE MEMBERS,
Monarch Networth Capital Limited
Office no.901/902, 9th Floor,
Atlanta Centre, Opp. Udyog Bhavan,
Sonawala Road, Goregaon (East),
Mumbai 400063

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

Management's Responsibility

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

Auditor's Responsibility

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis.

Disclaimer

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

For VKM & Associates
Practicing Company Secretary

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

Place: Mumbai
Date: 03/09/2019

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
MONARCH NETWORTH CAPITAL LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of **Monarch Networth Capital Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ('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 March 31, 2019, its Profit / Loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters below to be key audit matters to be communicated in our report:

Key audit matters	How the matter was addressed in our Audit
Information Technology system for the financial reporting process	
The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis.	In view of the significance of the matter we applied the following audit procedures, on test check basis, in this area, among others to obtain reasonable audit assurance:
Further, the Company's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items such as Brokerage income, Trade receivable ageing amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.	• Obtained an understanding of the Company's IT environment and conducted risk assessment and identified IT applications, databases and operating systems, for the areas which are relevant to our audit. Also, obtained an understanding of key controls operating over the such identified systems;

We have focused on user access management, change management, segregation of duties, developer access to the production environment and changed to IT environment.	• Tested the design and operating effectiveness of the Company's IT controls over IT applications as identified above on test check basis;
Further, we also focussed on key automated controls relevant for financial reporting.	• Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for Brokerage income, Trade receivable ageing for evaluating completeness and accuracy.
Accordingly, our audit strategy has focused on key IT systems and controls due to pervasive impact and performing an extensive testing of automated controls and ITGCs; we have determined the same as a key audit matter for current year audit.	• Where deficiencies were identified, tested compensating controls or performed alternative procedures.
	• Management has given us reasonable assurance about the existence of the suitable IT controls and their persistent review and monitoring of the performance and issues arising on IT matters on a periodic basis.
	• Reliance is also placed on the independent system audit carried out by the external agencies, as per the mandate of the regulators.
Revenue Recognition	
The principal services offered by the company include stock broking, merchant banking and depository services amongst others. Brokerage revenue is recognised on trade date upon exchange confirmations and income from depository services and merchant banking are recognised based on agreements with clients and when the right to receive income is established.	In view of the significance of the matter we applied the following audit procedures, on test check basis, in this area, among others to obtain reasonable audit assurance:
We identified revenue recognition as a key audit matter because there is a risk of revenue considering the judgements involved in the revenue recognition for services including merchant banking and depository services.	• Assessed the appropriateness of the revenue recognition accounting policies, by comparing with applicable accounting standards.
	• Evaluated the design of controls and operating effectiveness of the relevant controls with respect to revenue recognition and accounting for sales incentive arrangements on selected transactions.
	• Performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents.
	• Carried out analytical procedures on revenue recognized during the year to identify unusual variances.
	• Performed confirmation procedures on trade receivable balances at the balance sheet date on a sample basis.
	• Tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.
	• Reconciled the revenue recognised as per the financial statements with the statutory reporting made by the company to different regulators, revenue authorities, etc.
	• Reliance is also placed on the independent internal audit carried out by the external agencies, as per the mandate of the regulators, which contained a detailed testing of the matter.

Impairment of Financial Assets	
Recognition and measurement of impairment of financial assets involve significant management judgement.	In view of the significance of the matter we applied the following audit procedures, on test check basis, in this area, among others to obtain reasonable audit assurance:
With the applicability of Ind AS 109, credit loss assessment is now based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors.	• Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice.
The most significant areas are:	• Understood management's new / revised processes, systems and controls implemented in relation to impairment allowance process.
- Loan staging criteria	• Assessed the design and implementation of key internal financial controls over assets impairment process used to calculate the impairment charge.
- Calculation of probability of default / Loss given default	• Tested management review controls over measurement of impairment allowances and disclosures in financial statements.
- Consideration of probability weighted scenarios and forward looking macroeconomic factors	• Test of details over of calculation of impairment allowance, on test check basis, for assessing the completeness, accuracy and relevance of data.
As per management opinion, there is no expected credit loss in several financial assets including the trade receivables of the Company and all are on fair value, based on the assessment and judgement made by the management comprising directors of the company.	• Model calculations were tested through re-performance where possible on selected samples.
There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.	• The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used, loss emergence periods and the valuation of recovery assets and collateral.
Deferred Tax Assets	
Recognition and measurement of deferred tax assets The Company has deferred tax assets in respect of temporary differences and MAT credit entitlements.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain reasonable audit assurance:
The recognition of deferred tax assets involves judgment regarding the likelihood of the reasonable certainty of realisation of these assets, in particular whether there will be taxable profits in future periods that support recognition of these assets.	• Through discussions with management, we understood the Company's process for recording deferred tax assets;
Management records deferred tax assets in respect of MAT credit entitlements, temporary differences and brought forward business losses in cases where it is reasonably certain based on the presumed profitability determined on the basis of management estimation that sufficient taxable income will be available to absorb the differed tax assets in future.	• Performed study and inquired into the basis of the management estimations of the future revenue for the reasonable certainty of utilisation of the deferred tax assets and therefore recognition of deferred tax assets; and • Tested the underlying data for the key deferred tax and tax provision calculations.
Investment and Loans to group companies	

The Company has investments in group company which are considered to be associated with significant risk in respect of valuation of such investments. These investments are carried at cost. Management has given us confirmation that the investments are reviewed for impairment at each reporting date. This assessment is based on the presumed future financial performance of these underlying entities, which involve significant estimates and judgment, due to the inherent uncertainty involved in forecasting future cash flows. There is significant judgment in estimating the timing of the cash flows and the appropriate discount rate.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain reasonable audit assurance:
In addition, considering the materiality of the investments in group companies, vis-à-vis the total assets of the Company, this is considered to be significant to our overall audit strategy and planning.	• Comparing the carrying amount of investments with the relevant group entity's balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those entities have historically been profit-making;
The Company has also extended loans to group entities and related parties that are assessed for recoverability at each period end.	• For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the profitability estimation by the management of these group entities;
	• Understanding the return prospects from the group entities, based on our knowledge of the Company and the markets in which the group entities operate; and
	• Review of the controls in place for issuing new loans and evidenced the board approval obtained. We obtained management's assessment of the recoverability of the loans
	• Obtained independent confirmations to ensure completeness and existence of loans and advances held by related parties as on reporting date.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Standalone financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the Standalone financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements/ information of Networth Insurance Broking Private Limited, Networth Softtech Limited, Networth Wealth Solutions Limited and Monarch Networth Comtrade Limited (all referred to as " Transferor Companies"), included in the financial statements of the company, pursuant to the scheme of Amalgamation between the above transferor companies with Monarch Networth Capital Limited, as approved by the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT), on May 09, 2019, with appoint date of 1 April 2017. The financial statements/financial information of these transferor companies reflect total assets of Rs. 27,89,74,905/- as at 31st March 2019 and the total revenue of Rs. 704,27,502/- for the year ended on that date (before giving the effect of merger), as considered in the standalone financial statements/information of these Transferor Companies have been audited by the earlier statutory auditors of the respective companies, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Report on other legal and regulatory requirements

1. 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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Standalone 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 as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 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 operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

      a. The Company does not have any pending litigations which would impact its Standalone financial position, other than those mentioned in Note 35 to 37 to the Standalone Financial Statements;

      b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      c. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For PAREKH SHAH & LODHA
Chartered Accountants
Firm Registration No.: 107487W

Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place: Mumbai
Date: 30th May, 2019

ANNEXURE A TO AUDITORS' REPORT

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

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

1. In respect of its fixed assets

    a) The Company has maintained the proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

    b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;

    c) As explained to us, the title deeds of all the immovable properties are held in the name of the company.

2. In respect of its inventories

    Inventory represents securities held as stock-in-trade in course of acting as a merchant banker and market maker for the acquired equity shares and on account of error in execution of transaction. As explained to us, inventories have been verified and reconciled during the year by the management at reasonable intervals. As informed to us, no material discrepancies were noticed on verification of inventories by the management as compared to book records.

3. The company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013:

    a) the terms and conditions of the grant of such 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 the followings.

Sr No	Name of Statue	Amount (Rs. in Lacs)	Period to which the amount related	Forum where dispute Pending
1	Service Tax	15.14	01.04.2002 to 31.03.2007	Pending With Service tax Tribunal With Joint Commissioner of Service Tax
	Service Tax	3.01	F.Y.2006-07	Superintendent, Service tax, Range XI, Ahmedabad
	Service Tax	6.76	F.Y.2005-07	Pending With Commissioner (Appeals) 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
2	Income Tax	8.54	A.Y. 2002-03	First Appellate Authority
	Income Tax	4.91	A.Y. 2006-07	Assessing Officer
	Income Tax	30.48	A.Y. 2010-11	Pending with CIT (Appeals); Original Demand Rs 75.69 lacs; Rectification Applied: Rs 45.21 lacs
	Income Tax	45.21	A.Y. 2011-12-#	First Appellate Authority
	Income Tax	1.96	A.Y. 2016-17	Appeal Field against Assessing Office Order

pertaining to Monarch Networth Comtrade Limited, since merged with Company

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. The company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) is not applicable.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For PAREKH SHAH & LODHA
Chartered Accountants
Firm Registration No.: 107487W

Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place: Mumbai
Date: 30th May, 2019

ANNEXURE B TO AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of MONARCH NETWORTH CAPITAL LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone 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 general, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were found operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company. However the same needs to be further improved and formally documented in view of the size of the company and nature of its business, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PAREKH SHAH & LODHA
Chartered Accountants
Firm Registration No.: 107487W

Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place: Mumbai
Date: 30th May, 2019

BALANCE SHEET AS AT 31st March,2019

(Currency: Indian Rupees)

Particulars	**Notes**	**Year Ended on Mar 31, 2019**	**Year Ended on Mar 31, 2018**
ASSETS			
Non-current assets			
Property Plant and Equipment	2	2,77,22,531	2,68,11,409
Capital work-in-progress	2	-	11,16,445
Intangible Assets	3	5,34,724	7,60,764
Financial assets			
- Investments	4	11,56,61,041	11,71,41,966
- Other Financial Assets	5	36,14,85,305	50,63,77,603
Deferred tax assets (Net)	6	5,88,02,305	4,42,65,650
Total Non Current Assets		**56,42,05,906**	**69,64,73,837**
Current assets			
Inventories	7	3,29,15,582	3,10,49,737
Financial assets			
- Trade Receivables	8	46,42,63,712	34,67,17,623
- Cash and cash equivalents	9	93,22,89,561	66,76,15,870
- Loans and advances	10	14,69,40,071	9,20,38,415
Total Current Assets		**1,57,64,08,926**	**1,13,74,21,646**
Total Assets		**2,14,06,14,832**	**1,83,38,95,482**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	11	31,04,95,180	31,04,95,180
Other equity	12	51,84,78,123	39,37,19,150
Total Equity		**82,89,73,303**	**70,42,14,330**
Non-current liabilities			
Financial liabilities			
- Borrowings	13	2,40,39,580	2,92,83,730
Provisions	14	1,47,31,039	1,24,97,071
Total Non Current Liabilities		**3,87,70,619**	**4,17,80,801**
Current liabilities			
Financial liabilities			
- Borrowings	15	26,29,90,393	2,86,16,934
- Trade payables	16	86,48,04,008	83,78,65,535
- Other financial Liabilites	17	76,03,162	2,51,03,403
Provisions	18	88,92,098	3,55,81,795
Other current liabilities	19	12,85,81,250	16,07,32,685
Total Current Liabilities		**1,27,28,70,911**	**1,08,79,00,351**
TOTAL Liabilities		**2,14,06,14,832**	**1,83,38,95,482**
Significant Accounting Policies			
See accompanying notes to the financial statements	**2 to 54**		

As per our Report of even date

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

Ashutosh Dwivedi
(Partner)
M.No. 410227

Place : Mumbai
Date : 30th May-2019

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Ashok Bafna
(Chief Financial Officer)

Place : Mumbai
Date : 30th May-2019

Manju Bafna
(Whole-Time Director)
Din: 01459885

Rupali Verma
(Company Secretary)
ICSI Member. No: A42923

Place : Mumbai
Date : 30th May-2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2019

(Currency: Indian Rupees)

Particulars	Notes	Year Ended on Mar 31,2019	Year Ended on Mar 31,2018
INCOME			
Revenue From Operations	20	62,53,46,218	79,65,49,520
Other Income	21	8,31,15,658	5,90,57,458
Total Income		**70,84,61,875**	**85,56,06,978**
EXPENSES			
Employee benefit expense	22	24,63,76,680	24,27,77,483
Operating Expenses	23	18,48,24,883	25,36,29,062
Finance Cost	24	2,29,47,182	2,03,72,425
Depriciation & Amortization Expenses	2	93,23,353	89,58,661
Other Expenses	25	10,18,54,841	13,49,77,588
Total Expenses		**56,53,26,939**	**66,07,15,219**
PROFIT BEFORE EXCEPTIONAL ITEMS, Extraordinary items AND TAX		**14,31,34,937**	**19,48,91,759**
Extraordinary Items (prior period expenses)		1,02,31,345	(6,54,533)
Profit Before Tax		**15,33,66,282**	**19,42,37,226**
Tax Expenses			
Current Tax		4,16,22,700	4,33,50,000
Deferred tax		22,59,878	19,35,481
Short & Excess Tax Provison		14,57,386	14,70,564
Mat Receivable		(2,92,70,107)	(2,44,00,441)
Total Tax Expenses		**1,60,69,857**	**2,23,55,604**
Profit for the Year (After Tax)		**13,72,96,425**	**17,18,81,621**
Other Comprehensive Income	**26**		
A(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(14,90,585)	(1,861)
Equity Instruments through Other Comprehensive Income		(14,80,925)	(48,97,232)
(ii) Income tax related to items that will not be reclassified to profit or loss		4,34,058	575
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax related to items that will be reclassified to profit or loss			
Total Comprehensive Income for the year		**13,47,58,973**	**16,69,83,103**
Earnings Per equity share of face value of Rs 10 each			
Basic(in Rs)	27	4.34	5.38
Diluted (in Rs)	28	4.34	5.38
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	**2 to 54**		

As per our Report of even date

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

Ashutosh Dwivedi
(Partner)
M.No. 410227

Place : Mumbai
Date : 30th May-2019

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Manju Bafna
(Whole-Time Director)
Din: 01459885

Ashok Bafna
(Chief Financial Officer)

Rupali Verma
(Company Secretary)
ICSI Member. No: A42923

Place : Mumbai
Date : 30th May-2019

Place : Mumbai
Date : 30th May-2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH-2019

(Currency: Indian Rupees)

Particulars	For the year ended	
	31 March 2019	31 March 2018
	INRs	INRs
Cash flow from operating activities		
Profit before tax from continuing operations	15,03,94,772	18,93,38,133
Profit/(loss) before tax from discontinued operations	-	-
Profit before tax	**15,03,94,772**	**18,93,38,133**
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and amortisation	93,23,353	89,58,661
Finance cost	2,29,47,182	2,03,72,425
Equity Instruments through Other Comprehensive Income	14,80,925	48,97,232
Adjustments in Retained Earnings	(1,00,00,000)	73,415
Interest income	(7,12,88,397)	(3,59,81,483)
Dividend Income	(2,05,200)	(1,77,683)
Income Tax Refund	(41,11,540)	-
(Profit) / loss on sale of fixed assets	49,779	45,474
Preliminary Expenses w/off		
(Profit) / loss on sale of Investments	-	-
Bad debts/Sundry Balance written off	(34,48,780)	2,39,30,588
	9,51,42,093	**21,14,56,763**
Working capital adjustments		
Inventories	(18,65,845)	6,70,03,043
Trade receivables	(11,40,97,308)	9,16,35,188
Loans & Advances	6,84,22,428	8,75,63,913
Trade payables	2,69,38,473	(16,05,78,138)
Other financial liabilities	(1,75,00,241)	37,10,024
Other liabilities	(3,21,51,435)	13,02,16,541
Provisions	53,17,816	(14,59,208)
	3,02,65,982	**42,95,48,127**
Income Tax paid	(5,62,45,078)	(2,15,23,558)
Net cash flows from operating activities	**(2,59,79,096)**	**40,80,24,569**
Cash flow from investing activities		
Payment for purchase and construction of property, plant and equipment (Net of proceeds from sales)	(1,64,41,769)	(94,86,912)
Fixed deposits held as margin deposits	(23,75,69,810)	12,84,470
Other Fixed Deposits	(10,00,91,853)	(5,41,52,472)
Proceeds from sale of Investments	0	(63,34,206)
Interest received	7,12,88,397	3,59,81,483
Dividend Income	2,05,200	1,77,683
Proceeds /(Repayment) of Other Non Current Financial Assets	14,53,02,917	(10,40,230)
Proceeds /(Repayment) of loans and advances to related parties	(11,58,84,085)	91,39,155

Particulars	For the year ended	
	31 March 2019	31 March 2018
	INRs	INRs
Net cash flows from investing activities	**(25,31,91,003)**	**(2,44,31,030)**
Cash flow from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from convertible debentures	-	-
Proceeds from redeemable preference shares	-	-
Proceeds /(Repayment) of borrowings from banks/ FI	23,37,14,481	(3,66,50,106)
Proceeds /(Repayment) of borrowings from others	(45,85,173)	(8,89,44,261)
Dividend Paid	-	-
Finance charges paid	(2,29,47,182)	(2,03,72,425)
Net cash flows from financing activities	**20,61,82,127**	**(14,59,66,792)**
Net increase / (decrease) in cash and cash equivalents	**(7,29,87,972)**	**23,76,26,747**
Cash and cash equivalents at the beginning of the year	37,54,67,366	13,78,40,619
Effect of exchanges rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	30,24,79,394	37,54,67,366
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	30,24,79,394	37,54,67,366
Add: Unrealised loss / (gain) on foreign currency cash and cash equivalents	-	-
Less : Bank balances not considered as Cash and Cash equivalents as defined in Ind AS-7 - Cash Flow Statements	-	-
Cash and Cash equivalents as restated as at the year end	**30,24,79,394**	**37,54,67,366**

Note- Cash Flow Statement has been prepared under the indirect method as set out in IND AS 7 - "Cash Flow Statements" prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013

As per our Report of even date

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

Ashutosh Dwivedi
(Partner)
M.No. 410227

Place : Mumbai
Date : 30th May-2019

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Manju Bafna
(Whole-Time Director)
Din: 01459885

Ashok Bafna
(Chief Financial Officer)

Rupali Verma
(Company Secretary)
ICSI Member. No: A42923

Place : Mumbai
Date : 30th May-2019

Place : Mumbai
Date : 30th May-2019

Statement of Changes in Equity

(Currency: Indian Rupees)

(a) Equity share capital	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period Balance	3,10,49,518	31,04,95,180	3,10,49,518	31,04,95,180
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	3,10,49,518	31,04,95,180	3,10,49,518	31,04,95,180

(b) Other equity

Particulars	Reserves & Surplus				Other comprehensive income		Total
	Capital Reserve	Securities Premium Account	Retained earnings	Amalgamation Reserve	Remeasurements of the net defined benefit Plans	Fair valuation of investments in equity shares	
Balance at 1 April 2017	**1,51,63,560**	**34,75,69,238**	**(13,71,21,785)**	**-**	**2,79,713**	**7,71,905**	**22,66,62,631**
Profit for the year	-		17,19,55,036		-	-	17,19,55,036
Other comprehensive income for the year	-	-		-	(1,286)	(48,97,232)	(48,98,518)
Total comprehensive income for the year	**-**	**-**	**17,19,55,036**	**-**	**(1,286)**	**(48,97,232)**	**16,70,56,518**
Balance at 31 March 2018	**1,51,63,560**	**34,75,69,238**	**3,48,33,251**	**-**	**2,78,427**	**(41,25,327)**	**39,37,19,149**
Profit for the year	-	-	12,72,96,425	-	-	-	12,72,96,425
Other comprehensive income for the year	-	-	-	-	(10,56,527)	(14,80,925)	(25,37,452)
Total comprehensive income for the year	**-**	**-**	**12,72,96,425**	**-**	**(10,56,527)**	**(14,80,925)**	**12,47,58,973**
Balance at 31 March 2019	**1,51,63,560**	**34,75,69,238**	**16,21,29,677**	**-**	**(7,78,100)**	**(56,06,252)**	**51,84,78,122**

As per our Report of even date

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

Ashutosh Dwivedi
(Partner)
M.No. 410227

Place : Mumbai
Date : 30th May-2019

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Manju Bafna
(Whole-Time Director)
Din: 01459885

Ashok Bafna
(Chief Financial Officer)

Rupali Verma
(Company Secretary)
ICSI Member. No: A42923

Place : Mumbai
Date : 30th May-2019

Place : Mumbai
Date : 30th May-2019

Notes to financial statements for the year ended 31st March, 2019

Note 1

A. Company Information

Monarch Networth Capital Limited (MNCL) was originally formed under the name of “Networth Finance Limited on 2nd December 1993. Thereafter, it was changed to Networth Stock Broking Limited w.e.f. 30/09/1997 and to Monarch Networth Capital Limited w.e.f 13/10/2015. MNCL is predominantly engaged in Share & Stock Broking, Merchant Banking, and Mutual Fund Distributor.The Company is a member of National Stock Exchange of India Ltd. (NSE) BSE Ltd. (BSE), Metropolitan Stock Exchange of India Ltd (MSEI) in the Capital Market and Derivatives (Futures & Options) Segment. It is also Depository Participant with Central Depositary Services India (CDSL) and National Securities Depository (India) Limited (NSDL) and also registered in Securities and Exchange Board of India (“SEBI”) as a Category 1 Merchant Banker and Research Analyst.

Significant accounting policies

B. Basis of preparation

a) These financial statements (‘financial statements’) of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs (‘MCA’) under Section 133 of the Companies Act, 2013 (‘the Act’) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

b) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value :

1. Financial instruments measured at fair value through profit or loss
2. Financial instruments measured at fair value through other comprehensive income
3. Defined benefit plans – plan assets measured at fair value

c) Functional and presentation currency:

These financial statements are presented in INR, which is the Company’s functional currency.

d) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

1. Expected to be realised or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to financial statements for the year ended 31st March, 2019

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

e) Revenue recognition

Service Income

Service income is recognized, exclusive of taxes, as and when the services are rendered. 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 arerecognised 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.

Interest income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income (‘OCI’), interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

f) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the itemsless accumulated depreciation and impairment loss. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Items of spare parts that meet the definition of ‘property, plant and equipment’ have beenrecognised as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in themanner intended by management. In case of a spare part, as it may be readily available foruse, it may be depreciated from the date of purchase of the spare part.

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided using the written down method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirements of Schedule II of the Act. The estimate of the useful life of the assets has been assessed based ontechnical advice which considered the nature of the asset, the usage of the asset,expected physical wear and tear, the operating conditions of the asset, anticipatedtechnological changes, manufacturers warranties and maintenance support, etc.

Notes to financial statements for the year ended 31st March, 2019

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. Cost of lease-hold land is amortized equally over the period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation methods, estimated useful lives and residual value

Intangible assets are amortisedin statement of Profit and Loss over their estimated useful lives based on underlying contracts where applicable.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

h) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

1. In case of individual asset, at higher of the fair value less cost to sell and value in use; and
2. In case of cash-generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

i) Leases- Company as a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the

Notes to financial statements for the year ended 31st March, 2019

leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

k) Financial instruments

A. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1. Financial assets at amortised cost
2. Financial assets at fair value through other comprehensive income (FVTOCI)
3. Financial assets at fair value through profit or loss (FVTPL)
4. Equity instruments measured at fair value through other comprehensive income ('FVTOCI')

Financial asset at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial asset at FVTOCI

A financial asset is classified as at the FVTOCI if both of the following criteria are met:

1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Notes to financial statements for the year ended 31st March, 2019

Financial instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, a company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, company has taken an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the Statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1. The rights to receive cash flows from the asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

    a) the Company has transferred substantially all the risks and rewards of the asset, or
    b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The company assesses impairment based on expected credit loss (ECL) model to the following:

1. Financial assets measured at amortised cost;
2. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

1. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

2. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

1. Trade receivables or contract revenue receivables; and

Notes to financial statements for the year ended 31st March, 2019

2. All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company follows the simplified approach permitted by IndAS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplifiedapproach does not require the Company to track changes in credit risk of trade receivable. The Companycalculates the expected credit losses on trade receivables using a provision matrix on the basis of its historicalcredit loss experience.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

1. Financial liabilities at fair value through profit or loss
2. Loans and borrowings measured on amortised cost basis
3. Financial guarantee contracts

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at FVTPL.

Notes to financial statements for the year ended 31st March, 2019

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

C. Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

D. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Premium/Discount, in respect of forward foreign exchange contract, is recognised over the life of the contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rate changes. Profit/Loss on cancellation / renewal of forward exchange contract is recognized as income/expense.

I) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to financial statements for the year ended 31st March, 2019

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:
1. deductible temporary differences;
2. the carry forward of unused tax losses; and
3. the carry forward of unused tax credits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company willpay normal income tax during the specified period. In the year in which the

MAT credit becomes eligible to be recognized; it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). TheCompany reviews the same at each Balance Sheet date and writes down the carrying amount of MAT CreditEntitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normalIncome Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax creditsthat are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

m) Inventories

Inventories are valued at the Market Value.

Inventories 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.

n) Employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

Notes to financial statements for the year ended 31st March, 2019

1. The date of the plan amendment or curtailment, and
2. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
2. Net interest expense or income

Long-term employee benefits

Post-employment and other employee benefits are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expenses are recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post-employment and other long term benefits are charged to the statement of other comprehensive income.

o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p) Segment accounting:

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

q) Business Combination under Common Control

Business combinations under common control are accounted for using the pooling of interest method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at carrying value on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for net identifiable assets acquired and liabilities assumed.

r) Provisions, Contingent liabilities, Contingent assets and Commitments:

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Notes to financial statements for the year ended 31st March, 2019

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

s) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

t) Use of estimates and judgments

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are significant management judgements in applying the accounting policies of the Company that have a significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Classification of assets and liabilities into current and non-current

The management classifies the assets and liabilities into current and non-current categories based on the operating cycle of the respective business / projects.

Impairment of assets

In assessing impairment, management estimates the recoverable amounts of each asset or CGU (in case of non-financial assets) based on expected future cash flows and uses an estimated interest rate to discount them. Estimation relates to assumptions about future cash flows and the determination of a suitable discount rate.

Useful lives of depreciable / amortisable assets (Property, plant and equipment, intangible assets and investment property)

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected usage of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the usage of certain assets.

Notes to financial statements for the year ended 31st March, 2019

Defined benefit obligation (DBO)

The cost of defined benefit gratuity plan and the present value of the gratuity obligation along with leave salary are determined using actuarial valuations. An actuarial valuation involves making various assumptions such as standard rates of inflation, mortality, discount rate, attrition rates and anticipation of future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument /assets. Management bases its assumptions on observable data as far as possible but this may not always be available. In that case management uses the best relevant information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

u) Statement of cash flows

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Company are segregated.

v) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability, or
2. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

1. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
2. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
3. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

Notes to financial statements for the year ended 31st March, 2019

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Note 2: Property, Plant and Equipment (PPE)

Description	Air Conditioners	Computer	Furniture & Fixtures	Vehicles	Office Equipment	Total	Capital Work in Progress
Cost as at 1 April 2017 (A)	**14,06,335**	**2,23,26,469**	**79,90,103**	**57,52,738**	**48,03,002**	**4,22,78,647**	**-**
Additions	2,70,151	53,24,537	7,91,171	-	17,90,454	81,76,313	11,16,445
Deletions	1,07,699	1,30,010	1,95,420	2,05,000	91,085	7,29,214	-
Cost as at 31 March 2018 (B)	**15,68,787**	**2,75,20,996**	**85,85,854**	**55,47,738**	**65,02,371**	**4,97,25,746**	**11,16,445**
Additions	1,95,703	39,40,382	29,43,611	25,00,000	6,93,869	1,02,73,565	-
Deletions	1,22,800	3,29,152	3,88,191	-	1,15,754	9,55,897	11,16,445
Cost as at 31 March 2019 (C)	**16,41,690**	**3,11,32,226**	**1,11,41,274**	**80,47,738**	**70,80,486**	**5,90,43,414**	**-**
Accumulated depreciation as at 1 April 2017 (D)	**2,23,005**	**79,02,960**	**38,00,453**	**9,59,531**	**15,32,869**	**1,44,18,818**	**-**
Depreciation for the period	2,77,049	56,07,203	12,87,182	6,04,344	10,44,260	88,20,038	-
Deletions	70,113	40,643	1,68,405	-	45,358	3,24,519	-
Accumulated depreciation as at 31 MARCH 2018 (E)	**4,29,941**	**1,34,69,520**	**49,19,230**	**15,63,875**	**25,31,771**	**2,29,14,337**	**-**
Depreciation for the period	3,01,957	57,23,339	12,20,213	5,50,536	13,01,263	90,97,308	-
Deletions	63,125	1,76,798	3,68,657	-	82,181	6,90,761	-
Accumulated depreciation as at 31 MARCH 2019 (F)	**6,68,773**	**1,90,16,061**	**57,70,786**	**21,14,411**	**37,50,853**	**3,13,20,884**	**-**
Net carrying amount as at 31 March 2018 (B) - (E)	**11,38,846**	**1,40,51,476**	**36,66,624**	**39,83,863**	**39,70,600**	**2,68,11,409**	**11,16,445**
Net carrying amount as at 31 March 2019 (C) - (F)	**9,72,917**	**1,21,16,165**	**53,70,488**	**59,33,327**	**33,29,633**	**2,77,22,531**	**-**

Note: 3 Intangible assets

Description	Computer Software
Cost as at 1 April 2017 (A)	**5,88,925**
Additions	5,53,375
Deletions	-
Cost as at 31 March 2018 (B)	**11,42,300**
Additions	-
Deletions	-
Cost as at 31 March 2019 (C)	**11,42,300**
Accumulated amortisation as at 1 April 2017 (D)	**2,42,913**
Amortisation for the period	1,38,623
Deletions	-
Accumulated amortisation as at 31 MARCH 2018 (E)	**3,81,536**
Amortisation for the period	2,26,040
Deletions	-
Accumulated amortisation as at 31 MARCH 2019 (F)	**6,07,576**
Net carrying amount as at 31 March 2018 (B) - (E)	**7,60,764**
Net carrying amount as at 31 March 2019 (C) - (F)	**5,34,724**

Notes to financial statements for the year ended 31st March, 2019

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 4		
Non-current Investments		
A. Investments in Subsidiaries & Associates- Valued at Cost		
Investment in equity of subsidiaries - unquoted		
- Monarch Networth Finserve Private Limited (80,00,000 (Previous year: 8000000) Equity Shares of Rs 10 each fully paid up)	9,29,22,205	9,29,22,205
- Monarch Networth Investment Advisory Private Limited (599900 (Previous year: 599900) Equity Shares of Rs 10 each fully paid up)	59,99,000	59,99,000
- Monarch Networth Capital IFSC Private Ltd (49999 (Previous year: 49999) Equity Shares of Rs 10 each fully paid up)	4,99,990	4,99,990
Total	**9,94,21,195**	**9,94,21,195**
Investment in Associate Companies- unquoted		
Investment in Networth Financial Service Limited (9,49,400 (Previous year: 9,49,400) equity shares of Rs. 10 each, fully paid up)	94,94,000	94,94,000
Total	**94,94,000**	**94,94,000**
	-	-
Investments in Subsidiaries & Associates	**10,89,15,195**	**10,89,15,195**
B. Other Investment in equity - quoted (At Fair Value through Other Comprehensive Income)		
- Sadbhav Engineering Limited (1310 (Previous year: 1310)) equity shares of Rs. 10 each, fully paid up)	3,27,959	5,10,180
- Unistar Multimedia Limited (774262 (Previous Year: 774262)) equity shares of Rs. 10 each, fully paid up)	22,06,647	21,29,221
-Bombay Stock Exchange Limited- (5700 (Previous year: 5700)) equity shares of Rs. 2 each, fully paid up)	34,90,680	43,10,340
- Rattanpower India Limited (229000 (Previous year: 229000)) equity shares of Rs. 10 each, fully paid up)	6,22,880	11,79,350
Other Investment in equity	**66,48,166**	**81,29,091**
C. Investment in Government or Trust Securities- At Amortised Cost		
National savings certificates	38,000	38,000
Life Insurance Policies	59,680	59,680
Total	**97,680**	**97,680**
	11,56,61,041	**11,71,41,966**
Aggregate amount of quoted investments	66,48,166	81,29,091
Aggregate amount of unquoted investments	10,90,12,875	10,90,12,875
	11,56,61,041	**11,71,41,966**

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 5		
Other Financial Assets		
Unsecured considered good unless stated otherwise :		
a. Security Deposits		
Deposit with Stock Exchange & Financial Institutions	6,03,10,164	5,92,63,664
Additional Base capital with Clearing Member	17,60,12,136	31,92,39,258
b. Balance with Revenue Authorities		
Advance to Government Authorities	1,32,93,360	1,28,82,741

Notes to financial statements for the year ended 31st March, 2019

c. Other Deposits		
Deposits for Arbitration Order	1,32,19,464	1,41,51,444
Deposits for PMS	-	-
Deposits for Office Premises	9,69,96,127	9,76,75,020
Contribution towards Gratuity Fund	-	15,08,876
Deposits for Telephone, VSAT, Electricity etc.	16,54,054	16,56,600
Total	**36,14,85,305**	**50,63,77,603**

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Note: 6		
DEFERRED TAX ASSETS (NET)		
The movement on the deferred tax account is as follows:		
At the start of the year	1,72,79,873	1,92,14,778
Charge/(credit) to statement of Profit and Loss	(18,25,820)	(19,34,905)
At the end of the year	1,54,54,053	1,72,79,873
MAT Receivable	4,33,48,252	2,69,85,777
Total	**5,88,02,305**	**4,42,65,650**

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Note: 7		
Inventories		
Stock in Trade*	3,29,15,582	3,10,49,737
Franking Balance on Hand	-	-
Total	**3,29,15,582**	**3,10,49,737**

* 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.

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Note: 8		
Trade Receivables		
Trade Receivables from Stock Broking Activities		
-considered good, outstanding for more then six month	7,19,50,410	7,37,09,730
-considered good, outstanding for less then six month	33,51,97,335	23,69,10,807
Total Trade Receivables	**40,71,47,745**	**31,06,20,537**
Others Trade Receivables: considered good		
MTF Funding Debtors	4,52,64,124	2,18,81,396
Other Receivables	1,18,51,843	1,42,15,690
Total	**46,42,63,712**	**34,67,17,623**

Notes to financial statements for the year ended 31st March, 2019

Note :

The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. As per management opinion, there is no Expected Credit Loss in Trade Receivables of the Company and all are on fair value, based on the assessment and judgement made by the management comprising directors of the company.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or otherreceivable are due from firms or private companiesrespectively in which any directoris a partner, a director or a member

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Note: 9		
Cash and cash equivalents		
Cash on Hand	3,43,481	1,65,027
Balance with Bank	30,21,35,913	37,53,02,339
Fixed deposits held as margin deposits	42,39,74,759	18,64,04,949
Other Fixed Deposits	20,58,35,408	10,57,43,555
Total	**93,22,89,561**	**66,76,15,870**

Notes:

1. Fixed deposits includes Rs. 42,39,74,759 and Rs. 18,64,04,949 for the year ended 31 March 2019 and 31 March 2018, respectively, under lien with banks towards bank guarantee, short term loans or kept as security with Exchanges as margin money.
2. Cash and Bank balances as on 31 March 2019 and as on 31 March 2018 include cheques on hands, which were cleared subsequent to the year end on periodic basis.

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Note: 10		
Loans and Advances		
Advances to Staff	27,73,333	36,74,934
Advances to Suppliers	9,41,183	16,37,475
Prepaid Expenses	89,40,120	94,69,781
Advances to Subsidiary	8,42,12,068	8,640
Receivables from Related Party	3,16,80,657	-
Advance against capital goods	75,00,000	-
Loan - others Advances	1,08,92,711	7,72,47,584
Total	**14,69,40,071**	**9,20,38,415**

Notes to financial statements for the year ended 31st March, 2019

Particulars		As at 31 March 2019	As at 31 March 2018
	Note: 11		
	Share Capital		
a	**Authorised :**		
	Equity Shares of Rs. 10/- each		
	540,00,000 (Previous year 540,00,000) Equity shares	54,00,00,000	54,00,00,000
	60,00,000 (Previous Year 60,00,000) Redeemable Preference Shares of Rs.10 each	6,00,00,000	6,00,00,000
	5,00,000-6% Cumulative Redeemable preference Share of Rs. 100/- each	5,00,00,000	5,00,00,000
	TOTAL	**65,00,00,000**	**65,00,00,000**
b	**Issued and Subscribed and Paid up:**		
	3,10,49,518 (Previous year 3,10,49,518) Equity shares of Rs. 10/- each fully paid up	31,04,95,180	31,04,95,180
	TOTAL	**31,04,95,180**	**31,04,95,180**
c	**Reconciliation of number of shares outstanding at the beginning and end of the year :**		
	Equity share :		
	Outstanding at the beginning of the year	3,10,49,518	3,10,49,518
	Add/(Less) : Adjustments during the year		
	Equity Shares bought back during the year		
	Outstanding at the end of the year	3,10,49,518	3,10,49,518

d Terms / Rights attached to each classes of shares

Terms / Rights attached to Equity shares

The Company has only one class of equity shares with voting rights having a par value of Re 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

During the year ended 31 March 2019, the amount of dividend per equity share recognised as distributions to equity shareholders is NIL (previous year NIL).

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e Shareholders holding more than 5% shares in the company is set out below:

Equity share	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	%	No. of Shares	%
VAIBHAV JAYANTILAL SHAH	31,08,815	10.01%	31,08,815	10.26%
SURESH P JAIN	24,42,165	7.87%	26,42,165	8.51%
SURESH BABULAL BAFNA	25,12,500	8.09%	25,12,500	8.09%
BELA HIMANSHU SHAH	24,06,000	7.75%	24,06,000	7.75%
BANKIM JAYANTILAL SHAH	22,06,000	7.10%	22,06,000	7.10%
METAPHOR REALTY INVESTMENTS PRIVATE LIMITED	24,12,000	7.77%	24,12,000	7.77%

Note: The Paid up Share Capital of the Company has been increased w.e.f. 01st April, 2017 post approval of Scheme of Amalgamation by Hon'ble NCLT vide their order dated 09th May, 2019 but the actual allotment is under process, as the Company has applied with BSE Limited for their prior approval for allotment of such shares post amalgamation.

Notes to financial statements for the year ended 31st March, 2019

g **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.**

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

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Note: 12		
Other Equity		
Reserves & Surplus		
Capital reserve - at the beginning of the year	**1,51,63,560**	**1,51,63,560**
Add: Addition during the year	-	-
At the end of the year	1,51,63,560	1,51,63,560
Securities premium reserve - at the beginning of the year	**34,75,69,238**	**34,75,69,238**
Add: Addition during the year	-	-
At the end of the year	34,75,69,238	34,75,69,238
Retained earnings - at the beginning of the year	**3,48,33,252**	**(13,71,21,785)**
Add: Addition during the year	**13,72,96,425**	**17,18,81,621**
Add: Prior Period Adjustments	-	73,415
Less: Merger Reserve Fund for other companies	(1,00,00,000)	-
At the end of the year	**16,21,29,677**	**3,48,33,252**
Total Reserves & Surplus	**52,48,62,475**	**39,75,66,050**
Other comprehensive income		
Remeasurements of the net defined benefit Plans	**2,78,427**	**2,79,713**
Add: Addition during the year	(10,56,527)	(1,286)
At the end of the year	(7,78,100)	2,78,427
Fair valuation of investments in equity shares	**(41,25,327)**	**7,71,905**
Add: Addition during the year	(14,80,925)	(48,97,232)
At the end of the year	(56,06,252)	(41,25,327)
Total Other comprehensive income	**(63,84,352)**	**(38,46,900)**
Total Other Equity	**51,84,78,123**	**39,37,19,150**

The Description of the nature and purpose of each reserve within equity is as follows:

a) **Capital reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase.

b) **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures,write-off equity related expenses like underwriting costs, etc.

c) **Retained earnings:** Retained earnings represents undistributed profits of the company

d) **Other comprehensive income:**

(i) The company has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity.

(ii) Remeasurements of defined benefit liability comprises of actuarial gains and losses.

Notes to financial statements for the year ended 31st March, 2019

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 13		
Non Current Borrowing		
Secured		
Loan from ICICI Bank Ltd	11,71,129	18,31,876
(Secured against hypothecation of Car)		
Unsecured		
Deposits from Business Associates	2,28,68,451	2,74,51,854
Total	**2,40,39,580**	**2,92,83,730**

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 14		
Non Current Provisions		
Provision for Gratuity	1,47,31,039	1,24,97,071
Total	**1,47,31,039**	**1,24,97,071**

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 15		
Current Borrowings		
Secured Borrowings		
- Overdraft from HDFC Bank	15,02,32,030	55,51,101
(Secured against hypothecation of Office premises & Securities,and Personal guarantee of Key Management)		
- Loan from Banks	8,97,50,000	-
(Secured against pledge of Fixed Deposits)		
- Borrowings from Financial Institutions	-	1,15,405
(Secured against Hypothication of Stock)		
Current Maturities of Long Term Borrowings		
Loan from ICICI Bank Ltd	6,60,748	6,01,043
Unsecured Borrowings		
- Other than promoter group	30,00,000	30,00,000
- Related Parties	1,93,47,615	1,93,49,385
	26,29,90,393	**2,86,16,934**

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 16		
Trade Payable		
Payable to Trade Clients	18,49,17,142	13,82,18,970
Margin Payable to Clearing Member	67,02,47,333	68,78,79,659
Payable to MTF Clients	75,66,592	72,59,955
Other Payable	20,72,941	45,06,950
Total	**86,48,04,008**	**83,78,65,535**

Notes to financial statements for the year ended 31st March, 2019

Notes:
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.

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 17		
Other Current financial liabilities		
Creditors for Expenses	40,56,741	72,68,610
Salary & Reimbursements	35,46,421	1,78,34,792
Total	**76,03,162**	**2,51,03,403**

Notes:
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.

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 18		
Current Provisions		
Provision for Expenses	60,61,856	32,53,187
Provision for Income Tax (Net of Advance Tax & TDS)	(25,48,250)	2,72,25,295
Provision for Gratuity (Current)	26,68,622	23,53,312
Provision for CRS	27,09,870	27,50,000
Total	**88,92,098**	**3,55,81,795**

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 19		
Other Current Liabilities		
Statutory Remittances	1,02,12,110	1,15,51,700
Deposits from Clients	11,64,13,416	14,08,52,480
Advance Brokerage from Client	17,28,021	12,78,244
Other Current Liabilities	2,27,703	70,50,260
Total	**12,85,81,250**	**16,07,32,685**

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 20		
Income from Operation		
Brokerage & Related income	50,31,32,340	65,77,70,669
Demat Income	2,69,02,081	3,30,63,342
Merchant Banking income	2,20,29,462	87,79,690
Income from Advisory Services	71,03,211	77,56,959
Other direct incomes	6,61,79,124	8,91,78,860
Total	**62,53,46,218**	**79,65,49,520**

Notes to financial statements for the year ended 31st March, 2019

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 21		
Other Income		
Dividend Income	2,05,200	1,77,683
Interest Received On Fixed Deposits	3,49,04,450	2,07,30,600
Income Tax Refund	41,11,540	-
Interest on Income Tax Refund	28,45,790	15,59,760
Interest Received On Staff Loan	1,38,820	1,79,383
Interest Received On Subsidery Loan	1,42,59,453	10,92,120
MTF Interest Income	57,59,607	1,35,364
Interest income from others	2,21,24,494	1,41,58,762
Income From Trading In Securities	(1,64,22,097)	(34,48,834)
Penalty Charges Recovered	2,00,363	3,36,826
Profit on Error Holding	(1,75,036)	8,36,998
Other Income	1,51,63,074	2,32,98,796
Total	**8,31,15,658**	**5,90,57,458**

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 22		
Employee Benefit Expenses		
Salary & Other Allowances		
Employee Salary	22,22,93,125	21,52,40,540
Director Remuneration	43,71,060	41,12,556
Performance Incentive	51,73,453	95,74,464
Statutory Contribution	1,53,06,710	1,37,35,696
Staff Welfare Charges	44,81,549	48,06,960
Common Infrastructure Charges-Salary**	(52,49,217)	(46,92,733)
Total	**24,63,76,680**	**24,27,77,483**

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

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 23		
Operating Expenses		
Demat Related Charges	1,03,95,082	1,88,17,735
Sub Brokerage & Commission Expenses	15,43,11,325	21,30,25,243
Stamping Charges	5,44,032	14,67,314
Penalty Account	1,44,993	8,54,593
Exchange Expenses	9,03,427	5,83,064
Connectivity Charges	67,88,558	78,84,161
Membership Fees & Subscription	28,81,225	52,21,146
Software Charges	84,08,008	56,24,832
Claw Back & Brokerage Charges	4,48,233	1,50,974
Total	**18,48,24,883**	**25,36,29,062**

Notes to financial statements for the year ended 31st March, 2019

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 24		
Finance Cost		
Interest On Bank OD & Fin Institutions	1,18,88,797	70,84,903
Interest On Car Loan	1,99,237	2,53,547
Bank Guarantee Charges	64,70,181	66,79,506
Stamp Duty for Bank Facilities	4,00,000	-
Bank & Fin Institution charges	71,395	5,31,349
Interest on Late Payment of Tax Dues	13,364	47,757
Other Interest	39,04,207	57,75,363
Total	**2,29,47,182**	**2,03,72,425**

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 25		
Other Expenses		
Administration expenses		
Legal & Professional Charges	1,81,91,091	1,56,71,471
Telephone/Communication Charges	62,51,966	49,09,298
Electricity Charges	1,00,43,267	1,03,49,441
Rent Rates & Taxes	3,75,53,611	3,50,71,257
Municipal Taxes	8,65,180	10,39,285
Repairs & Maintenance	73,39,852	89,11,246
Manpower supply charges	10,17,049	33,70,776
Insurance Charges	1,43,020	7,34,358
Postage & Courier Charges	31,15,199	46,20,292
Conveyance & Travelling	73,27,169	74,43,938
Printing Stationery & Xerox Charges	23,10,681	31,56,338
Office expenses	40,29,675	49,21,713
Misc. Expenses	13,483	(1,35,845)
Festival Expenses	20,53,591	26,09,369
Corporate Social Responsibility	33,59,553	21,00,000
Staff Recruitment Expenses	6,79,311	1,26,930
Auditors' Remuneration	6,44,000	6,09,000
Recovery of Expenses **	(28,45,018)	(28,36,809)
Bad debts/Sundry Balance written off	(34,48,780)	2,39,30,588
Loss on Assets sold / discarded	49,779	45,474
Other Expenses	60,000	6,51,429
Charity & Donations	9,31,800	9,31,501
Selling & Distribution Expenses		
Advertisement/Sposership	7,30,087	50,34,364
Business Promotion Expenses	14,39,275	17,12,174
Total of Administrative, selling and Distribution	**10,18,54,841**	**13,49,77,588**

Notes to financial statements for the year ended 31st March, 2019

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 26		
Statement of other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
Changes in revaluation surplus		
Remeasurements of the defined benefit plans	(14,90,585)	(1,861)
Equity Instruments through Other Comprehensive Income	(14,80,925)	(48,97,232)
	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	4,34,058	575
Total	**(25,37,452)**	**(48,98,518)**

Note: 27
Corporate social responsibility

Pursuant to the application of Section 135 of the Act and the Rules framed thereunder, the Company has constituted the CSR committee on 04th September, 2017. The company is required to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years as per the activities which are specified in Schedule VII of the Act and the Company has decided to spend the amount by way of contribution to a Trust . The disclosure as required by the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities issued by the Institute of Chartered Accounts of India are as follows:

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Gross amount required to be spent by the Company during the year	32,09,870	28,99,683
Amount Spent during the year	5,00,000	28,99,683

Note: 28
Earnings per share (EPS)
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares. “

i. Profit attributable to Equity holders

	31-Mar-19 INR	31-Mar-18 INR
Profit attributable to equity holders :		
Continuing operations	13,47,58,973	16,69,83,103
Discontinued operations	-	-
Profit attributable to equity holders for basic earnings	**13,47,58,973**	**16,69,83,103**
Adjustments:		
Others	-	-
Profit attributable to equity holders adjusted for the effect of dilution	**13,47,58,973**	**16,69,83,103**

Notes to financial statements for the year ended 31st March, 2019

ii. Weighted average number of ordinary shares

	31-Mar-19 INR	31-Mar-18 INR
Issued ordinary shares at April 1	3,10,49,518	3,10,49,518
Effect of shares issued as Bonus shares	-	-
Effect of shares bought back during the year	-	-
Weighted average number of shares at March 31 for EPS	**3,10,49,518**	**3,10,49,518**
Effect of dilution:		
Share options	-	-
Convertible preference shares	-	-
	3,10,49,518	**3,10,49,518**

iii. Basic and Diluted earnings per share

	31-Mar-19 INR	31-Mar-18 INR
Basic earnings per share	4.34	5.38
Diluted earnings per share	4.34	5.38

Note: 29

Tax expense

(a) Amounts recognised in profit and loss

	For the year ended	
	31-Mar-19	31-Mar-18
Current income tax	4,16,22,700	4,33,50,000
Changes in tax estimates of prior years	14,57,386	14,70,564
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	22,59,878	19,35,481
Deferred tax expense	**22,59,878**	**19,35,481**
Tax expense for the year	**4,53,39,964**	**4,67,56,045**

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Changes in revaluation surplus	-	-	-	-	-	-
Remeasurements of the defined benefit plans	(14,90,585)	4,34,058	(10,56,527)	(1,861)	575	(1,286)
Equity Instruments through Other Comprehensive Income	(14,80,925)	-	(14,80,925)	(48,97,232)	-	(48,97,232)
Items that will be reclassified to profit or loss	**-**	**-**	**-**	**-**	**-**	**-**
	(29,71,510)	**4,34,058**	**(25,37,452)**	**(48,99,093)**	**575**	**(48,98,518)**

Notes to financial statements for the year ended 31st March, 2019

(c) Reconciliation of effective tax rate on the Amounts recognised in profit and loss as Current Income Tax

	For the year ended	
	31-Mar-19	31-Mar-18
Profit before tax	**15,33,66,282**	**19,42,37,226**
Statutory income tax rate	29.120%	21.342%
Tax using the Company's domestic tax rate	4,46,60,261	4,14,53,332
Tax effect of:		
Non-deductible tax expenses	20,00,414	22,42,463
Tax-exempt income	(12,57,035)	(5,74,451)
Provision for assets	(2,40,677)	(84,559)
Deductions Under Income Tax Act	(36,30,719)	(12,27,368)
Temporary Adjustments	90,455	15,40,582
	4,16,22,700	**4,33,50,000**

(d) Movement in deferred tax balances

Particular	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	31-Mar-19	
				Net	Deferred tax asset/(Deferred tax liability)
Deferred tax asset/(Liabilities)					
Property, plant and equipment	1,06,06,766	(2,34,896)		1,03,71,870	1,03,71,870
Compensated absences and gratuity	45,88,769	35,018	4,34,058	50,57,845	50,57,845
Provision for Doubtful Debt	24,339	-		24,339	24,339
Investments in unquoted equity shares	20,60,000	(20,60,000)		-	-
Tax assets (Liabilities)	**1,72,79,874**	**(22,59,878)**	**4,34,058**	**1,54,54,054**	**1,54,54,054**
Set off tax					
Net tax assets	**1,72,79,874**	**(22,59,878)**	**4,34,058**	**1,54,54,054**	**1,54,54,054**

(e) Movement in deferred tax balances

Particular	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	31-Mar-18	
				Net	Deferred tax asset/(Deferred tax liability)
Deferred tax asset/(liabilities)					
Property, plant and equipment	1,29,30,896	(23,24,130)	-	1,06,06,766	1,06,06,766
Compensated absences and gratuity	41,99,544	3,88,650	575	45,88,769	45,88,769
Provision for Doubtful Debt	24,339	-	-	24,339	24,339
Investments in unquoted equity shares	20,60,000	-	-	20,60,000	20,60,000
Tax assets (Liabilities)	**1,92,14,779**	**(19,35,480)**	**575**	**1,72,79,874**	**1,72,79,874**
Set off tax	-	-	-	-	-
Net tax assets	**1,92,14,779**	**(19,35,480)**	**575**	**1,72,79,874**	**1,72,79,874**

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to financial statements for the year ended 31st March, 2019

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Note: 30
Employee benefit expense

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company recognised following amounts for provident fund and ESIC contributions in the Statement of Profit and Loss.

	Year ended 31-Mar-19	Year ended 31-Mar-18
Contribution to Provident Fund	74,70,299	76,70,928
Contribution to ESIC	23,10,008	26,60,617
	97,80,307	**1,03,31,545**

(ii) Defined Benefit Plan:

A) The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

i) On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service:

As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31-Mar-19	31-Mar-18
Net defined benefit asset	-	-
Total employee benefit asset	**-**	**-**
Net defined benefit liability		
Liability for Gratuity	1,73,99,661	1,48,50,383
Total employee benefit liabilities	**1,73,99,661**	**1,48,50,383**
Non-current	1,47,31,039	1,24,97,071
Current	26,68,622	23,53,312

Notes to financial statements for the year ended 31st March, 2019

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Opening balance	1,58,28,214	1,42,01,661	11,19,063	10,56,660	1,47,09,151	1,31,45,001
Included in profit or loss					-	-
Current service cost	23,24,588	20,90,476	-	-	23,24,588	20,90,476
Past service cost	-	17,954	-	-	-	17,954
Interest cost (income)	9,41,194	7,80,572	62,105	69,740	8,79,089	7,10,832
	1,90,93,996	**1,70,90,663**	**11,81,168**	**11,26,400**	**1,79,12,828**	**1,59,64,263**
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	1,65,896	(2,04,394)	-	-	1,65,896	(2,04,394)
Experience adjustment	12,79,070	1,60,065	-	-	12,79,070	1,60,065
Return on plan assets excluding interest income	-	-	(45,619)	(46,190)	45,619	46,190
	14,44,966	**(44,329)**	**(45,619)**	**(46,190)**	**14,90,585**	**1,861**
Other						
Contributions paid by the employer	-	-	9,00,000	5,00,000	(9,00,000)	(5,00,000)
Benefits paid	(26,73,006)	(12,18,120)	(13,88,699)	(4,61,147)	(12,84,307)	(7,56,973)
Closing balance	**1,78,65,956**	**1,58,28,214**	**6,46,850**	**11,19,063**	**1,72,19,106**	**1,47,09,151**

Represented by:

Net defined benefit asset	6,46,850	11,19,063
Net defined benefit liability	1,72,19,106	1,47,09,151
	1,78,65,956	**1,58,28,214**

Maturity Analysis of Projected Benefit Obligation from the reporting year:

	1st Following Year	2nd Following Year	3rd Following Year	4th Following Year	5th Following Year	Sum of Years 6 To 10
March 31, 2019	51,46,600	40,37,875	33,97,033	25,84,011	18,84,479	39,14,115
March 31, 2018	51,43,925	33,42,085	29,29,414	21,51,062	16,06,649	34,30,896

C. Plan assets

Plan assets comprise the following:

	31-Mar-19	31-Mar-18
Policy of insurance	100%	59%
Bank Balance	0%	41%
	100%	100%

Notes to financial statements for the year ended 31st March, 2019

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31-Mar-19	31-Mar-18
Discount rate	6.75%	7.10%
Salary escalation rate	5.10%	5.10%
Withdrawal Rates	30% at all ages	30% at all ages
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-19		31-Mar-18	
	Increase	Decrease	Increase	Decrease
Rate of discounting (0.50% movement)	1,76,29,989	1,81,08,967	1,56,29,692	1,60,32,608
Rate of salary increase (0.50% movement)	1,81,10,889	1,76,25,502	1,60,35,075	1,56,25,382
Rate of employee turnover (10% movement)	1,77,33,537	1,79,94,901	1,57,52,797	1,58,99,835

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Note: 31
Leases- Operating leases

Leases as lessee

a) The Company has entered into cancellable operating leasing arrangements for residential and office premises. Following Lease rentals has been included under the head “Other Expenses” under Note No 25 in the notes to the financial statements.

	Year ended 31-Mar-19	Year ended 31-Mar-18
Lease Rental Payments	3,75,53,611	3,50,71,257
	3,75,53,611	**3,50,71,257**

b) Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were payable as follows.

	31-Mar-19 INR	31-Mar-18 INR
Less than one year	55,20,262	45,48,121
Between one and five years	3,24,46,680	2,55,58,968
	3,79,66,942	**3,01,07,089**

Notes to financial statements for the year ended 31st March, 2019

Note: 32 Fair value disclosures

1. Financial instruments – Fair values and risk management
A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31-Mar-19	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	-	11,56,61,041	-	11,56,61,041	66,48,166	-	-	66,48,166
Non-current loans	-	-	36,14,85,305	36,14,85,305			-	-
Trade receivables	-	-	46,42,63,712	46,42,63,712	-	-	-	-
Cash and cash equivalents	-	-	93,22,89,561	93,22,89,561	-	-	-	-
Current Loans and advances	-	-	14,69,40,071	14,69,40,071	-	-	-	-
	-	**11,56,61,041**	**1,90,49,78,649**	**2,02,06,39,689**	**66,48,166**	**-**	**-**	**66,48,166**
Financial liabilities								
Non-current borrowings	-	-	2,40,39,580	2,40,39,580	-	-	-	-
Current borrowings	-	-	26,29,90,393	26,29,90,393	-	-	-	-
Trade payables	-	-	86,48,04,008	86,48,04,008	-	-	-	-
Other Non-Current financial liabilities	-	-	76,03,162	76,03,162	-	-	-	-
	-	**-**	**1,15,94,37,142**	**1,15,94,37,142**	**-**	**-**	**-**	**-**

31-Mar-18	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	-	11,71,41,966	-	11,71,41,966	81,29,091	-	-	81,29,091
Non-current loans	-	-	50,63,77,603	50,63,77,603			-	-
Trade receivables	-	-	34,67,17,623	34,67,17,623	-	-	-	-
Cash and cash equivalents	-	-	66,76,15,870	66,76,15,870	-	-	-	-
Current Loans and advances	-	-	9,20,38,415	9,20,38,415	-	-	-	-
	-	**11,71,41,966**	**1,61,27,49,511**	**1,72,98,91,477**	**81,29,091**	**-**	**-**	**81,29,091**
Financial liabilities								
Non-current borrowings	-	-	2,92,83,730	2,92,83,730	-	-	-	-
Current borrowings	-	-	2,86,16,934	2,86,16,934	-	-	-	-
Trade payables	-	-	83,78,65,535	83,78,65,535	-	-	-	-
Other Non-Current financial liabilities	-	-	2,51,03,403	2,51,03,403	-	-	-	-
	-	**-**	**92,08,69,602**	**92,08,69,602**	**-**	**-**	**-**	**-**

(1) Assets that are not financial assets, in the opinion of the management are not included.

(2) Other liabilities that are not financial liabilities, in the opinion of the management are not included.

(3) In the opinion of the management, based on the details available with the company, all the financial assets and liabilities are tested for valuation, to identify their fair value, as prescribed in Indian Accounting Standards, and are measured at fair value, to the extent possible. The assets/ liabilities, which are not possible to be measured at fair value, in the opinion of the management, in the opinion of the management, are presented in the financial statements at their book value, without any adjustment towards fair valuation.”

B. Measurement of fair values (Key inputs for valuation techniques) :

1. Listed Equity Investments (other than Subsidiaries, Joint Ventures and Associates): Quoted Bid Price on Stock Exchange (Level 1)
2. Forward contracts : Forward exchange rate is taken from Foreign Exchange Dealers Association of India (FEDAI) (Level 1)
3. Valuation techniques and significant unobservable inputs: Not applicable (Level 3)

Notes to financial statements for the year ended 31st March, 2019

Transfers between Levels 1 and 2

There were no transfer from Level 1 to Level 2 or vice versa in any of the reporting periods.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

Total Trade receivables as on 31 March 2019 are as follows:	
31 March 2019	46,42,63,712
31 March 2018	34,67,17,623

The Company does not have higher concentration of credit risks to a single customer.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed half yearly. Any sales exceeding those limits require approval from the Board of Directors.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Notes to financial statements for the year ended 31st March, 2019

At 31 March, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	Carrying amount (in INR)	
	31 March 2019	**31 March 2018**
India	46,42,63,712	34,67,17,623
	46,42,63,712	**34,67,17,623**

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	31 March 2019	31 March 2018
Opening balance	**-**	**-**
Provision for receivables impairment	-	-
Receivables written off during the year as uncollectible	-	-
Provision released during the year	-	-
Closing balance	**-**	**-**

Cash and cash equivalents

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses product-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31-Mar-19			Contractual cash flows			
	Carrying amount	**Total**	**12 months or less**	**1-2 years**	**2-5 years**	**More than 5 years**
INR						
Non-derivative financial liabilities						
Non-current borrowings	2,40,39,580	2,40,39,580	-	-	11,71,129	2,28,68,451
Current borrowings	26,29,90,393	26,29,90,393	26,29,90,393	-	-	-
Trade payables	86,48,04,008	86,48,04,008	86,48,04,008	-	-	-
Other financial liabilities	76,03,162	76,03,162	76,03,162	-	-	-
Derivative financial liabilities						
Forward exchange contracts	-	-	-	-	-	-

Notes to financial statements for the year ended 31st March, 2019

31-Mar-18			Contractual cash flows			
	Carrying amount	Total	12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-current borrowings	2,92,83,730	2,92,83,730	-	-	18,31,876	2,74,51,854
Current borrowings	2,86,16,934	2,86,16,934	2,86,16,934	-	-	-
Trade payables	83,78,65,535	83,78,65,535	83,78,65,535	-	-	-
Other financial liabilities	2,51,03,403	2,51,03,403	2,51,03,403	-	-	-
Derivative financial liabilities						
Forward exchange contracts	-	-	-	-	-	-

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is not exposed to any currency risk on account of its borrowings, other payables and receivables in foreign currency. All dealings are done in domestic markets by the company. The functional currency of the Company is Indian Rupee.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing finacial instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing financial instruments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income financial instruments. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal amount in INR	
	31-Mar-19	**31-Mar-18**
Fixed-rate instruments		
Financial assets	80,58,22,303	61,13,87,762
Financial liabilities	18,31,876	25,48,324
	80,39,90,427	**60,88,39,438**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Total	**80,39,90,427**	**60,88,39,438**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The company does not have any financial assets or financial liabilities bearing floating interest rates. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Notes to financial statements for the year ended 31st March, 2019

Note 33 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at 31 March 2019 was as follows.

INR

Particular	As at 31 March 2019	As at 31 March 2018
Total Borrowings	28,70,29,973	5,79,00,664
Less : Cash and cash equivalent	93,22,89,561	66,76,15,870
Adjusted net debt	**(64,52,59,588)**	**(60,97,15,206)**
Total equity	82,89,73,303	70,42,14,330
Less : Hedging reserve	-	-
Adjusted equity	**82,89,73,303**	**70,42,14,330**
Adjusted net debt to adjusted equity ratio	(0.78)	(0.87)

In addition the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.

Note 34 Related party relationships, transactions and balances

A Nature of relationship

I Subsidiary Companies

a Monarch Networth Finserve Private Limited
b Monarch Networth Investment Advisors Private Limited
c Monarch Networth Capital IFSC Pvt Ltd

II Associate Companies

a Networth Financial Services Ltd

III Enterprises over which Directors and their relatives exercise significant influence

a Monarch Networth Capital IFSC Private Limited
b Premjayanti Properties
c Monarch Infra Venture
d Premjayanti Enterprises Private Limited
e Monarch Infraparks Private Limited
f Sur-Man Investment Limited
g Simandhar Securities Private Limited
h Samarpan Properties Private Limited
i S.P. Jain – HUF (Sun Capital Advisory Services Private Limited)
j Maxgainz Properties Private Limited
k GSEC Monarch & Deccan Aviation Private Limited

IV Key Management Personnel and their relatives

a Mr. Vaibhav Shah
b Mrs. Manju Bafna
c Mr. Suresh Pukhraj Jain
d Mrs. Kanta Jain
e Mrs. Kinnari Shah

Notes to financial statements for the year ended 31st March, 2019

f Mr. Bankim Shah
g Mr. Himanshu Shah
h Mr. Suresh Bafna
i Mrs. Bela Shah
j Mr Ashok Bafna
k Mr Shailen Shah

B. The following transactions were carried out during the year with the related parties in the ordinary course of business:

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue								
Common Infra Income	80,94,235	75,29,542	-	-	-	-	80,94,235	75,29,542
Rent Income	9,00,000	9,00,000	-	-	-	-	9,00,000	9,00,000
Interest Income	1,42,59,453	10,92,119	-	-	-	-	1,42,59,453	10,92,119
Demat Charges Income	50,000	22,442	-	-	-	-	50,000	22,442
Brokerage Income		-	20,52,306	8,26,076	3,757	6,16,409	20,56,063	14,42,485
Total	**2,33,03,688**	**95,44,103**	**20,52,306**	**8,26,076**	**3,757**	**6,16,409**	**2,53,59,751**	**1,09,86,588**
Expenses								
Professional Fees Paid	-	-	-	-	1,75,000	-	1,75,000	-
Salaries	-	-	-	-	89,35,511	85,55,496	89,35,511	85,55,496
Lease Rent Paid	-	-	1,08,00,000	1,08,00,000	36,00,000	36,00,000	1,44,00,000	1,44,00,000
Advisory Services	-	18,00,000	-	-	-	-	-	18,00,000
Total	**-**	**18,00,000**	**1,08,00,000**	**1,08,00,000**	**1,27,10,511**	**1,21,55,496**	**2,35,10,511**	**2,47,55,496**

Note 34 Related Party Disclosures: (Continued)

B. The following transactions were carried out during the year with the related parties in the ordinary course of business:

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Outstanding Balances								
Investments as on								
Monarch Networth Finserve Private Limited	9,29,22,205	9,29,22,205	-	-	-	-	9,29,22,205	9,29,22,205
Monarch Networth Investment Advisory Private Limited	59,99,000	59,99,000	-	-	-	-	59,99,000	59,99,000
Monarch Networth Capital IFSC Private Ltd	4,99,990	4,99,990	-	-	-	-	4,99,990	4,99,990
Networth Financial Service Limited			94,94,000	94,94,000			94,94,000	94,94,000
Total	**9,94,21,195**	**9,94,21,195**	**94,94,000**	**94,94,000**	**-**	**-**	**10,89,15,195**	**10,89,15,195**

Notes to financial statements for the year ended 31st March, 2019

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Receivables / Advances								
Monarch Networth Capital IFSC Private Limited	13,640	8,640	-	-	-	-	13,640	8,640
Monarch Networth Finserve Private Limited	8,41,98,427	-	-	-	-	-	8,41,98,427	-
Monarch Networth Investment Advisory Private Limited	-	-	-	-	-	-	-	-
Premjayanti Enterprise Private Limited	-	-	16,80,657	-	-	-	16,80,657	-
GSEC Monarch and Deccan Aviation Private Limited	-	-	3,00,00,000	-	-	-	3,00,00,000	-
Total	**8,42,12,067**	**8,640**	**3,16,80,657**	**-**	**-**	**-**	**11,58,92,724**	**8,640**
Payables								
Monarch Infra Venture	-	-	-	-	1,88,21,862	1,30,752	1,88,21,862	1,30,752
Networth Financial Services Limited	-	-	1,93,47,615	1,93,49,385	-	-	1,93,47,615	1,93,49,385
Total	**-**	**-**	**1,93,47,615**	**1,93,49,385**	**1,88,21,862**	**1,30,752**	**38,169,477**	**19,480,137**

Directors of the Companies have given personal guarantees towards certain borrowings and cash credit of the Company

Gratuity and Compensated absences are included in managerial remuneration as disclosed above
All transactions with the related parties are priced on an arm's length prices and resulting outstanding balances are to be settled in cash on demand. None of the balances are secured.

Note 35 Contingent liabilities (to the extent not provided for)

Rs in Lacs

Contingent liabilities	31-Mar-19	31-Mar-18
Income Tax matters pending with various authorities	91.10	89.14
Service Tax matters pending with various authorities	64.72	64.72
(Merged Entity-Monarch Project & Finmarkets Limited and Monarch Research Brokerge Pvt Ltd)		
Client Litigation matter	205.31	147.03
Corporate guarantees issued in favour of Banks for loans taken by subsidiary companies-Monarch Networth Finserve Private Ltd	-	5,000.00

Notes

(i) There are certain claims aggregating to Rs. 318 lacs (previous year Rs. 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.

(ii) 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, 2019

(iii) Pending resolution of the respective proceedings, it is not practicable for the company to estimate the timing of the cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

Notes to financial statements for the year ended 31st March, 2019

Note 36

The company has taken suitable legal action for recovering deposits of Rs. 40 lacs (previous year Rs. 40 lacs) for premises at Bangalore and Rs. 300 lacs (previous year Rs. 300 lacs) for premises at Nariman Point- Mumbai . The management expects favorable order for the same, hence no provisions have been made thereof.

Note 37

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

Note 38 Commitments

Rs in Lacs

	31-Mar-19	**31-Mar-18**
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

Note 39 **Rs in Lacs**

Dues to micro, small and medium enterprises	**31-Mar-19**	**31-Mar-18**
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	Nil	Nil
Interest	Nil	Nil
	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Note 40 Earnings and expenditure in Foreign Currency during the year:

	31-Mar-19	**31-Mar-18**
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

Note 41
Dividends proposed to be distributed for the equity shareholders for the year ended 31.03.2019 - Nil (PY- Nil.)

Note 42

Segment information
As per the requirements of Ind AS 108 on “Operating Segments”, segment information has been provided under the Notes to Consolidated Financial Statements.

Notes to financial statements for the year ended 31st March, 2019

Note 43

	31-Mar-19	31-Mar-18
Forward exchange contracts outstanding on the balance sheet date which is entered to hedge foreign exchange exposures of the Company.	Nil	Nil

Note 44

The Company has carried out Impairment test on its Fixed Assets as on the date of Balance Sheet and the management is of the opinion that there is no asset for which provision of impairment is required to be made as per applicable Indian Accounting Standard.

Note 45

Balance of all Sundry Debtors, Sundry Creditors, Investments & Loan and Advances are subject to confirmation and consequent reconciliation and adjustments, if any.

Note 46

In the opinion of the board, the current assets, loans and advances are approximately of the value state, if realized in ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

Note 47
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 48

Directors Remuneration	31-Mar-19	31-Mar-18
Director Remuneration	43,71,060	41,12,556

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.

Note 49

Auditors Remuneration	31-Mar-19	31-Mar-18
Towards Statutory & Tax Audit (Exclusive of Service Tax/GST)	6,44,000	6,09,000
	6,44,000	6,09,000

Note 50

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 51

Effective April 1, 2018, the company has applied Ind AS 115 “Revenue from Contracts with Customers”. The standard is applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to opening equity at the date of initial application. The adoption of Ind AS 115 did not have any significant impact on the overall results of the Group.

Notes to financial statements for the year ended 31st March, 2019

Note 52
Scheme of Amalgamation

The scheme of Amalgamation between Networth Insurance Broking Private Limited, Networth Softtech Limited, Networth Wealth Solutions Limited and Monarch Networth Comtrade Limited with Monarch Networth Capital Limited was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT), on May 09, 2019.

Pursuant to the scheme of Amalgamation (the "Scheme") between Networth Insurance Broking Private Limited, Networth Softtech Limited, Networth Wealth Solutions Limited and Monarch Networth Comtrade Limited (all referred to as "Transferor Companies") with Monarch Networth Capital Limited (refered to as Transferee Company), the assets and liabilities of the erstwhile transferor companies were transferred to and vested in the transferee company with effect from the 1st April, 2017 being the appointed date, as per accounting prescribed under the scheme which is in line with the accounting principles given under Ind AS 103 applicable to common control business combinations. Accordingly, opening balance sheet as at 1 April 2017, comparative financial information for the year ended 31 March 2018 and the accompanying standalone financial statements for the year ended 31 March 2019 have been adjusted to account for the aforesaid merger.

Disclosures in accordance with Indian Accounting Standered

a. Name and Nature of Business of Amalgamation Companies:

Name of the Company	Nature of Business	Present Shareholding of Transferee Company
Transferor Companies		
Networth Insurance Broking Pvt. Ltd. (NIBPL)	Insurance Broking	100%
Networth SoftTech Limited (NSL)	Business Software Development	20.91%
Networth Wealth Solutions Ltd (NWSL)	Distribution of third party Products	100%
Monarch Networth Comtrade Ltd (MNCTL)	Commodity Broking	99.96%
Transferee Companies		
Monarch Networth Capital Limited (MNCL)	Stock Broking, Depository Participant Services and Merchant Banking Services	----

b. The Scheme of amalgamation will benefit the Transferor Company and Transferee Company. The rational and reasons for proposed Scheme of Arrangement, inter alia, are summarized below:

(a) All the Companies in the proposed Scheme of Amalgamation are a part of the same group and the central management of the group believes that the restructuring of companies in form of amalgamation of all four transferor companies with MNCL would be beneficial for the companies and companies' stakeholders.

(b) MNCL is a diversified conglomerate with presence in various segments such as stock broking, financial services, merchant banking activities etc. MNCL is a widely held listed company its shares are actively traded on BSE Limited. MNCL has a proven track record of creating value for its shareholders through performance and incubation of growth businesses.

(c) All transferor companies regularly evaluate growth potential opportunities to create long-term value for its shareholders. The proposed restructuring shall enable transferor companies to gain exposure to fast growing sectors such as Stock Broking and financial services. With a well-capitalised base, and a large and diversified portfolio comprising of a steady cash flows generating businesses, transferor companies will be strongly positioned to incubate future growth opportunities and create long-term value for its shareholders.

(d) The amalgamation of the companies shall lead to consolidation of resources of the Transferor Companies with the Transferee Company, thereby providing greater efficiency in operations and administrative affairs of the Transferee Company and thus optimizing the valuation of the consolidated company and its shareholders.

(e) The amalgamation shall also add to the financial strength of the Transferee Company. The consolidation of Transferor Companies business with MNCL would at one hand strengthen the financials of the listed entity for the benefit of all its

Notes to financial statements for the year ended 31st March, 2019

stakeholders and on the other hand help Transferee Company business in getting future contracts and raising funds for expansion due to the listed status.

(f) Apart from above, this scheme of amalgamation shall result in following benefits -

- Financial strength and flexibility for the Transferee Company, which would result in maximizing overall shareholder value.
- Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost.
- Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.
- Greater efficiency in cash management of the amalgamated entity and pooling of cash flow generated by the combined entities which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.

- Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
- Effective Margin Management to the clients of the Transferor and the Transferee Company.

(g) It is believed that this Scheme will create enhanced value for shareholders and allow a focused growth strategy which would be in the best interests of Transferor Companies stakeholders.”

c. The scheme has envisaged an exchange ratio as under:

- Nil Equity of the Transferee Company to be issued to shareholders of NIBPL because the Transferor Company 1 is wholly owned by the Transferee Company and the Transferee Company along with its nominee shareholders holds all the shares issued by the NIBPL

- 13 Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of held in NSL pursuant to this Scheme of Amalgamation.

- Nil Equity of the Transferee Company to be issued to shareholders of NWSL because the Transferor Company 3 is wholly owned by the Transferee Company and the Transferee Company along with its nominee shareholders holds all the shares issued by the NWSL.

- 28 Equity shares of face value ofRs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares held in MNCTL pursuant to this Scheme of Amalgamation. Transferor Company is wholly owned by the Transferee Company and therefore there shall be no issue of shares by the Transferee Company in this regard.

d. Method of accounting used to reflect the amalgamation is Pooling of Interests Method

e. Accounting Treatment on Amalgamation

The accounting for Amalgamation has been done in accordance to the approved Scheme of Amalgamation. Accordingly, the Company has accounted for the Scheme in its book of Accounts as under:

1. All assets and liabilities appearing in the books of the transferor company have been recorded by the transferee company at their respective book values in opening balance sheet as at 01 April 2017.

2. The difference between net assets taken over & investment in the books of the Transferee Company have been debited first to Amalgamation Reserve (pre-existed at the time of amalgamation) and then to Retained Earnings.

3. As per the Scheme of Amalgamation the Company was required to issue 737,918 equity shares of face value of Rs 10/- per share along with Security Premium of Rs 69/- per share, aggregating Rs 582,95,522/- to the shareholders of the erstwhile Tranferor Companies NSL and MNCTL.

Notes to financial statements for the year ended 31st March, 2019

4. Pursuant to the sanction of the Scheme, with effect from the Appointed Date, the Transferor Companies are, pursuant to the provisions contained in Sections 230 to 232 of the Companies Act, 2013, and all other applicable provisions, if any, without any further act, deed, matter or thing, merged with the Transferee Company, as a going concern so as to become the estate, assets, rights, title, interest and authorities of the Transferee Company.

5. Pursuant to the sanction of the Scheme, the authorised share capital of the Transferor Companies are added to the authorised share capital of the Transferee Company without any further act, instrument or deed or procedure or payment of any stamp duty and registration fees.

6. Pursuant to the order of NCLT towards scheme of arrragement for the Merger, as stated above, necessary adjustments have been made by the company in the standalone results as stated above, towards provision for taxation and Corporate Social Responsibility, etc giving the post merger effect on aggregate basis.

7. Since the order of NCLT was received on last moment, the Statutory Audit of the transferee companies (Networth Insurance Broking Private Limited, Networth Softtech Limited, Networth Wealth Solutions Limited and Monarch Networth Comtrade Limited) under the Companies Act 2013 and under other applicable laws, were carried out by the earlier statutory auditors of the respective companies for the year ended March 31, 2019. The statutory auditor of Monarch Networth Capital Limited have verified only the merger implecation on the above results.

Note 53

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

(Figures in INR)

Particulars	**Relationship**		**Amount outstanding as at March 31, 2019**	**Maximum balance outstanding during the year**
Monarch Networth Finserve Private Limited	Wholly-owned Subsidiary	CY	84,198,427	212,932,385
		PY	-	80,538,810
Monarch Networth Investment Advisors Pvt Ltd		CY	-	11,000
	Subsidiary	PY	-	960,667
Monarch Networth Capital IFSC Pvt Ltd	Subsidiary	CY	13,640	13,640
		PY	8,640	8,640

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

Note: 54

Previous year's figures have been regrouped or reclassifed wherever necessary

As per our Report of even date	**For and on behalf of the Board**	
For PAREKH SHAH & LODHA Chartered Accountants (Firm Reg. No. 107487W)	**Vaibhav Shah** (Managing Director) Din:00572666	**Manju Bafna** (Whole-Time Director) Din: 01459885
Ashutosh Dwivedi (Partner) M.No. 410227	**Ashok Bafna** (Chief Financial Officer)	**Rupali Verma** (Company Secretary) ICSI Member. No: A42923
Place : Mumbai Date : 30th May-2019	Place : Mumbai Date : 30th May-2019	Place : Mumbai Date : 30th May-2019

INDEPENDENT AUDITOR'S REPORT

To

The Members of
MONARCH NETWORTH CAPITAL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Monarch Networth Capital Limited ((hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entities,), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, an associate and jointly controlled entities as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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, its associate and jointly controlled entities as at 31 March 2019, of its consolidated profit and consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters below to be key audit matters to be communicated in our report:

Key audit matters	How the matter was addressed in our Audit
Information Technology system for the financial reporting process The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis. Further, the Company's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items such as Brokerage income, Trade receivable ageing	In view of the significance of the matter we applied the following audit procedures, on test check basis, in this area, among others to obtain reasonable audit assurance: • Obtained an understanding of the Company's IT environment and conducted risk assessment and identified IT applications, databases and operating systems, for the areas which are relevant to our audit. Also, obtained an understanding of key controls operating over the such identified systems;

amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. We have focused on user access management, change management, segregation of duties, developer access to the production environment and changed to IT environment. Further, we also focussed on key automated controls relevant for financial reporting. Accordingly, our audit strategy has focused on key IT systems and controls due to pervasive impact and performing an extensive testing of automated controls and ITGCs; we have determined the same as a key audit matter for current year audit.	• Tested the design and operating effectiveness of the Company's IT controls over IT applications as identified above on test check basis; • Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for Brokerage income, Trade receivable ageing for evaluating completeness and accuracy. • Where deficiencies were identified, tested compensating controls or performed alternative procedures. • Management has given us reasonable assurance about the existence of the suitable IT controls and their persistent review and monitoring of the performance and issues arising on IT matters on a periodic basis. • Reliance is also placed on the independent system audit carried out by the external agencies, as per the mandate of the regulators.
Revenue Recognition The principal services offered by the company include stock broking, merchant banking and depository services amongst others. Brokerage revenue is recognised on trade date upon exchange confirmations and income from depository services and merchant banking are recognised based on agreements with clients and when the right to receive income is established. We identified revenue recognition as a key audit matter because there is a risk of revenue considering the judgements involved in the revenue recognition for services including merchant banking and depository services.	In view of the significance of the matter we applied the following audit procedures, on test check basis, in this area, among others to obtain reasonable audit assurance: • Assessed the appropriateness of the revenue recognition accounting policies, by comparing with applicable accounting standards. • Evaluated the design of controls and operating effectiveness of the relevant controls with respect to revenue recognition and accounting for sales incentive arrangements on selected transactions. • Performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents. • Carried out analytical procedures on revenue recognized during the year to identify unusual variances. • Performed confirmation procedures on trade receivable balances at the balance sheet date on a sample basis. • Tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period. • Reconciled the revenue recognised as per the financial statements with the statutory reporting made by the company to different regulators, revenue authorities, etc. • Reliance is also placed on the independent internal audit carried out by the external agencies, as per the mandate of the regulators, which contained a detailed testing of the matter.
Impairment of Financial Assets Recognition and measurement of impairment of financial assets involve significant management judgement. With the applicability of Ind AS 109, credit loss assessment is now based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors.	In view of the significance of the matter we applied the following audit procedures, on test check basis, in this area, among others to obtain reasonable audit assurance: • Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice. • Understood management's new / revised processes, systems and controls implemented in relation to impairment allowance process.

The most significant areas are: - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macroeconomic factors As per management opinion, there is no expected credit loss in several financial assets including the trade receivables of the Company and all are on fair value, based on the assessment and judgement made by the management comprising directors of the company. There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.	• Assessed the design and implementation of key internal financial controls over assets impairment process used to calculate the impairment charge. • Tested management review controls over measurement of impairment allowances and disclosures in financial statements. • Test of details over of calculation of impairment allowance, on test check basis, for assessing the completeness, accuracy and relevance of data. • Model calculations were tested through re-performance where possible on selected samples. • The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used, loss emergence periods and the valuation of recovery assets and collateral.
Deferred Tax Assets Recognition and measurement of deferred tax assets The Company has deferred tax assets in respect of temporary differences and MAT credit entitlements. The recognition of deferred tax assets involves judgment regarding the likelihood of the reasonable certainty of realisation of these assets, in particular whether there will be taxable profits in future periods that support recognition of these assets. Management records deferred tax assets in respect of MAT credit entitlements, temporary differences and brought forward business losses in cases where it is reasonably certain based on the presumed profitability determined on the basis of management estimation that sufficient taxable income will be available to absorb the differed tax assets in future.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain reasonable audit assurance: • Through discussions with management, we understood the Company's process for recording deferred tax assets; • Performed study and inquired into the basis of the management estimations of the future revenue for the reasonable certainty of utilisation of the deferred tax assets and therefore recognition of deferred tax assets; and • Tested the underlying data for the key deferred tax and tax provision calculations.
Investment and Loans to group companies The Company has investments in group company which are considered to be associated with significant risk in respect of valuation of such investments. These investments are carried at cost. Management has given us confirmation that the investments are reviewed for impairment at each reporting date. This assessment is based on the presumed future financial performance of these underlying entities, which involve significant estimates and judgment, due to the inherent uncertainty involved in forecasting future cash flows. There is significant judgment in estimating the timing of the cash flows and the appropriate discount rate. In addition, considering the materiality of the investments in group companies, vis-à-vis the total assets of the Company, this is considered to be significant to our overall audit strategy and planning. The Company has also extended loans to group entities and related parties that are assessed for recoverability at each period end.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain reasonable audit assurance: • Comparing the carrying amount of investments with the relevant group entity's balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those entities have historically been profit-making; • For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the profitability estimation by the management of these group entities; • Understanding the return prospects from the group entities, based on our knowledge of the Company and the markets in which the group entities operate; and • Review of the controls in place for issuing new loans and evidenced the board approval obtained. We obtained management's assessment of the recoverability of the loans • Obtained indepedent confirmations to ensure completeness and existence of loans and advances held by related parties as on reporting date.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Consolidated financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements/ information of two subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 3454.36 lacs as at 31st March 2019 (Rs. 2844.54 lacs as at 31st March 2018) as well as the total revenue of Rs. 680.74 lacs for the year ended 31st March 2019 (Rs. 913.85 lacs for the year ended 31st March 2018). The Consolidated financial statements also includes the Company's share of Net Profit of Rs -0.20 lacs for the year ended 31st March 2019 (Rs. -0.99 lacs for the year ended 31st March 2018) as considered in the consolidated financial statements, in respect of one associate companies whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

Attention is drawn to the fact that the Company has incorporated another subisidiary company - Monarch Networth Capital IFSC Private Limited on 14th March, 2017, since there was no activity for the financial year ended 31st March, 2018 as well as 31st March, 2019, 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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that::

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the 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 as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 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 operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

   (a) The Company does not have any pending litigations which would impact its consolidated financial position, other than those mentioned in Note 35 to 37 to the consolidated Financial Statements;

   (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   (c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For PAREKH SHAH & LODHA
Chartered Accountants
Firm Registration No..: 107487W

CA. Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place: Mumbai
Date: 30th May-2019

ANNEXURE A TO AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **MONARCH NETWORTH CAPITAL LIMITED** ("the Company") as of March 31, 2019 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 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 general, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were found operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place: Mumbai
Date : 30th May 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(Currency: Indian Rupees)

Particulars	Notes	Year Ended on Mar 31,2019	Year Ended on Mar 31,2018
ASSETS			
Non-current assets			
Property Plant and Equipment	2	2,97,36,068	2,88,24,947
Capital work-in-progress	2	-	11,16,445
Intangible Assets	3	5,34,724	7,60,764
Financial assets			
- Investments	4	1,55,75,682	1,70,76,534
- Other Financial Assets	5	37,74,92,830	51,47,71,802
Deferred tax assets (Net)	6	5,90,98,606	4,47,04,473
Total Non Current Assets		**48,24,37,910**	**60,72,54,965**
Current assets			
Inventories	7	3,29,15,582	3,10,49,737
Financial assets			
- Trade Receivables	8	75,61,95,621	59,40,45,237
- Cash and cash equivalents	9	94,42,38,977	68,54,82,116
- Loans and advances	10	8,64,92,379	10,09,60,244
Total Current Assets		**1,81,98,42,559**	**1,41,15,37,335**
Total Assets		**2,30,22,80,469**	**2,01,87,92,299**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	11	31,04,95,180	31,04,95,180
Other equity	12	49,14,68,464	37,34,82,965
Total Equity		**80,19,63,644**	**68,39,78,145**
Non-current liabilities			
Financial liabilities			
- Borrowings	13	2,40,39,580	2,92,83,730
Provisions	14	1,50,85,071	1,26,04,257
Total Non Current Liabilities		**3,91,24,651**	**4,18,87,987**
Current liabilities			
Financial liabilities			
- Borrowings	15	26,29,90,393	13,10,82,687
- Trade payables	16	1,04,98,65,769	93,43,83,756
- Other financial Liabilites	17	76,16,802	2,51,12,053
Provisions	18	1,03,72,649	4,08,31,413
Other current liabilities	19	13,03,46,562	16,15,16,259
Total Current Liabilities		**1,46,11,92,174**	**1,29,29,26,167**
TOTAL Liabilities		**2,30,22,80,469**	**2,01,87,92,299**
Significant Accounting Policies			
See accompanying notes to the financial statements	**1 to 54**		

As per our Report of even date

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

Ashutosh Dwivedi
(Partner)
M.No. 410227

Place : Mumbai
Date : 30th May-2019

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Manju Bafna
(Whole-Time Director)
Din: 01459885

Ashok Bafna
(Chief Financial Officer)

Rupali Verma
(Company Secretary)
ICSI Member. No: A42923

Place : Mumbai
Date : 30th May-2019

Place : Mumbai
Date : 30th May-2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Currency: Indian Rupees)

Particulars	Notes	Year Ended on Mar 31,2019	Year Ended on Mar 31,2018
INCOME			
Revenue From Operations	20	69,31,75,503	88,18,38,681
Other Income	21	6,90,50,646	6,22,15,680
Total Income		**76,22,26,149**	**94,40,54,362**
EXPENSES			
Employee benefit expense	22	25,97,82,719	25,08,80,719
Operating Expenses	23	18,51,76,183	25,39,84,299
Finance Cost	24	4,77,53,643	6,84,84,232
Depriciation & Amortization Expenses	2	93,23,353	89,58,661
Other Expenses	25	12,06,63,419	14,69,08,503
Provision for Standard Assets		3,13,002	(8,36,847)
Provision for Non Performing Assets		19,915	(2,51,514)
Total Expenses		**62,30,32,234**	**72,81,28,053**
PROFIT BEFORE EXCEPTIONAL ITEMS, Extraordinary items AND TAX		**13,91,93,915**	**21,59,26,309**
Extraordinary Items (prior period expenses)		1,02,31,345	(6,54,533)
Profit Before Tax		**14,94,25,260**	**21,52,71,775**
Tax Expenses			
Current Tax		4,24,77,911	4,73,50,000
Deferred tax		24,02,399	20,86,928
Short & Excess Tax Provison		32,72,179	14,16,693
Mat Receivable		(2,92,70,107)	(2,44,00,441)
Total Tax Expenses		**1,88,82,382**	**2,64,53,180**
Profit for the Year (After Tax)		**13,05,42,878**	**18,88,18,595**
Other Comprehensive Income	**26**		
A(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(14,90,585)	(1,861)
Equity Instruments through Other Comprehensive Income		(14,80,925)	(48,97,232)
(ii) Income tax related to items that will not be reclassified to profit or loss		4,34,058	575
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the year		**12,80,05,426**	**18,39,20,077**
Add : Share of Profit/(Loss) from Associates		(19,927)	(98,873)
Add : Minority Interest		-	-
Net Profit		**12,79,85,499**	**18,38,21,204**
Earnings Per equity share of face value of Rs 10 each			
Basic(in Rs)	27	4.12	5.92
Diluted (in Rs)	28	4.12	5.92
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	**1 to 54**		

As per our Report of even date

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

Ashutosh Dwivedi
(Partner)
M.No. 410227

Place : Mumbai
Date : 30th May-2019

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Manju Bafna
(Whole-Time Director)
Din: 01459885

Ashok Bafna
(Chief Financial Officer)

Rupali Verma
(Company Secretary)
ICSI Member. No: A42923

Place : Mumbai
Date : 30th May-2019

Place : Mumbai
Date : 30th May-2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH-2019

(Currency: Indian Rupees)

PARTICULARS	For the year ended	
	31 March 2019	31 March 2018
	INRs	INRs
Cash flow from operating activities		
Profit before tax from continuing operations	14,64,33,823	21,02,73,809
Profit/(loss) before tax from discontinued operations	-	-
Profit before tax	**14,64,33,823**	**21,02,73,809**
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and amortisation	93,23,353	89,58,661
Finance cost	4,77,53,643	6,84,84,232
Equity Instruments through OCI	14,80,925	48,97,232
Adjustments in Retained Earnings	(1,00,00,000)	73,415
Share of Profit/(Loss) from Associates	19,927	98,873
Interest income	(5,70,28,944)	(3,48,89,363)
Dividend Income	(2,05,200)	(1,77,683)
Income Tax Refund	(41,11,540)	-
(Profit) / loss on sale of fixed assets	49,779	45,474
Preliminary Expenses w/off	-	3,84,500
(Profit) / loss on sale of Investments	-	-
Provision for Standard Assets	3,13,002	(8,36,847)
Provision for Non Performing Assets	19,915	(2,51,514)
Bad debts/Sundry Balance written off	69,39,948	2,95,21,109
	14,09,88,630	**28,65,81,900**
Working capital adjustments		
Inventories	(18,65,845)	6,70,03,043
Trade receivables	(16,90,90,331)	36,10,72,804
Loans & Advances	5,36,48,521	8,48,96,931
Trade payables	11,54,82,013	(54,95,60,213)
Other financial liabilities	(1,74,95,251)	37,18,674
Other liabilities	(3,11,69,695)	13,07,46,304
Provisions	51,47,834	(10,87,844)
	9,56,45,877	**38,33,71,600**
Income Tax paid	(7,02,13,563)	(2,30,71,101)
Net cash flows from operating activities	**2,54,32,315**	**36,03,00,499**
Cash flow from investing activities		
Payment for purchase and construction of property, plant and equipment (Net of proceeds from sales)	(1,64,41,769)	(94,86,912)
Fixed deposits held as margin deposits	(24,25,69,810)	12,84,470
Other Fixed Deposits	(10,00,91,853)	(5,41,52,472)
Proceeds from sale of Investments	0	(48,34,216)
Interest received	5,70,28,944	3,48,89,363
Dividend Income	2,05,200	1,77,683
Proceeds /(Repayment) of Other Non Current Financial Assets	14,53,02,917	(10,40,230)

PARTICULARS	For the year ended	
	31 March 2019	31 March 2018
	INRs	INRs
Proceeds /(Repayment) of loans and advances to related parties	(3,16,80,657)	1,23,86,128
Net cash flows from investing activities	**(18,82,47,028)**	**(2,07,76,187)**
Cash flow from financing activities		
Proceeds from issue of share capital		
Proceeds from convertible debentures		
Proceeds from redeemable preference shares		
Proceeds /(Repayment) of borrowings from banks/ FI	23,37,14,481	(3,66,50,106)
Proceeds /(Repayment) of borrowings from others	(10,70,50,926)	1,35,21,492
Finance charges paid	(4,77,53,643)	(6,84,84,232)
Net cash flows from financing activities	**7,89,09,913**	**(9,16,12,846)**
Net increase / (decrease) in cash and cash equivalents	**(8,39,04,801)**	**24,79,11,466**
Cash and cash equivalents at the beginning of the year	39,33,33,612	14,54,22,144
Effect of exchanges rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	**30,94,28,811**	**39,33,33,610**
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	30,94,28,810	39,33,33,612
Add: Unrealised loss / (gain) on foreign currency cash and cash equivalents	-	-
Less : Bank balances not considered as Cash and Cash equivalents as defined in Ind AS-7 - Cash Flow Statements	-	-
Cash and Cash equivalents as restated as at the year end	**30,94,28,810**	**39,33,33,612**

Note- Cash Flow Statement has been prepared under the indirect method as set out in IND AS 7 - "Cash Flow Statements" prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013

As per our Report of even date

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

Ashutosh Dwivedi
(Partner)
M.No. 410227

Place : Mumbai
Date : 30th May-2019

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Manju Bafna
(Whole-Time Director)
Din: 01459885

Ashok Bafna
(Chief Financial Officer)

Rupali Verma
(Company Secretary)
ICSI Member. No: A42923

Place : Mumbai
Date : 30th May-2019

Place : Mumbai
Date : 30th May-2019

Statement of Changes in Equity

(Currency: Indian Rupees)

(a) Equity share capital	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period Balance	3,10,49,518	31,04,95,180	3,10,49,518	31,04,95,180
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	3,10,49,518	31,04,95,180	3,10,49,518	31,04,95,180

(b) Other equity

Particulars	Reserves & Surplus			Other comprehensive income		Total
	Capital Reserve	Securities Premium Account	Retained earnings	Remeasurements of the net defined benefit Plans	Fair valuation of investments in equity shares	
Balance at 1 April 2017	**1,51,63,560**	**34,75,69,238**	**(17,41,96,070)**	**2,79,713**	**7,71,905**	**18,95,88,346**
Profit for the year	-	-	18,87,93,137	-	-	18,87,93,137
Other comprehensive income for the year	-	-		(1,286)	(48,97,232)	(48,98,518)
Total comprehensive income for the year	**-**	**-**	**18,87,93,137**	**(1,286)**	**(48,97,232)**	**18,38,94,619**
Balance at 31 March 2018	**1,51,63,560**	**34,75,69,238**	**1,45,97,067**	**2,78,427**	**(41,25,327)**	**37,34,82,965**
Profit for the year	-	-	12,05,22,951	-	-	12,05,22,951
Other comprehensive income for the year	-	-	-	(10,56,527)	(14,80,925)	(25,37,452)
Total comprehensive income for the year	**-**	**-**	**12,05,22,951**	**(10,56,527)**	**(14,80,925)**	**11,79,85,499**
Balance at 31 March 2019	**1,51,63,560**	**34,75,69,238**	**13,51,20,018**	**(7,78,100)**	**(56,06,252)**	**49,14,68,464**

As per our Report of even date

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

Ashutosh Dwivedi
(Partner)
M.No. 410227

Place : Mumbai
Date : 30th May-2019

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

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(Chief Financial Officer)

Rupali Verma
(Company Secretary)
ICSI Member. No: A42923

Place : Mumbai
Date : 30th May-2019

Place : Mumbai
Date : 30th May-2019

Notes to consolidated financial statements for the year ended 31st March, 2019

Note 1

A. Company Information

Monarch Networth Capital Limited (MNCL) was originally formed under the name of “Networth Finance Limited on 2nd December 1993. Thereafter, it was changed to Networth Stock Broking Limited w.e.f. 30/09/1997 and to Monarch Networth Capital Limited w.e.f 13/10/2015. MNCL is predominantly engaged in Share & Stock Broking, Merchant Banking, and Mutual Fund Distributor. The Company is a member of National Stock Exchange of India Ltd. (NSE) BSE Ltd. (BSE), Metropolitan Stock Exchange of India Ltd (MSEI) in the Capital Market and Derivatives (Futures & Options) Segment. It is also Depository Participant with Central Depositary Services India (CDSL) and National Securities Depository (India) Limited (NSDL) and also registered in Securities and Exchange Board of India (“SEBI”) as a Category 1 Merchant Banker and Research Analyst.

The Company, its Subsidiaries (jointly referred to as the “Group” herein under) considered in this Consolidated Financial Statement are:

a) Subsidiaries

Name of the Company	Principal Activities	Proportion (%) of equity Interest	
		As at 31st March, 2019	As at 31st March, 2018
Monarch Networth Finserve Private Limited	NBFC Business	100	100
Monarch Networth Investment Advisory Private Limited	Insurance Business	100	100
Monarch Networth Capital IFSC Private Limited	IFSC	100	100

b) Associates

Section 129(3) of the Companies Act, 2013, requires preparation of consolidated financial statement of the company and of all the subsidiaries including associate company businesses in the same form and manner as that of its own. Indian Accounting Standard (IndAS) 28 on Investments in Associates defines Associate Group as an entity over which the investor has significant influence. It mentions that if an entity holds, directly or indirectly through intermediaries, 20 per cent or more of the voting power of the enterprise, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

The Group holds investments in the below entities which by share ownership are deemed to be an associate company:

i) Networth Financial Services Limited where the Group has 45.32% equity holding. It is primarily engaged in

Significant accounting policies

B. Basis of preparation

a) These Consolidated Financial Statements (‘Consolidated Financial Statements’) of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs (‘MCA’) under Section 133 of the Companies Act, 2013 (‘the Act’) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

Subsidiaries are entities where the group exercises or controls more than one-half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

b) The Consolidated Financial Statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value :

Notes to consolidated financial statements for the year ended 31st March, 2019

1. Financial instruments measured at fair value through profit or loss
2. Financial instruments measured at fair value through other comprehensive income
3. Defined benefit plans – plan assets measured at fair value

c) Functional and presentation currency:

These Consolidated Financial Statements are presented in INR, which is the Company's functional currency.

d) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

1. Expected to be realised or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

e) Basis of consolidation

Accounting for subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable asset at the date ofacquisition. Changes in the Group's equity interest ina subsidiary that do not result in a loss of control are accounted for as equity transactions. Non-controlling interest is presented separately from the liabilities or assets and the equity of the shareholders in the consolidated Balance Sheet. Non-controlling interest in the profit or loss of the Group is separately presented.

Equity accounted investee

The Group's interests in equity accounted investees include interest in a joint venture. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Notes to consolidated financial statements for the year ended 31st March, 2019

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with thepolicies adopted by the Group. Unrealised gain on transactions between the Group and its Joint Ventures are eliminatedto the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction providesevidence of an impairment of the assets transferred.

f) Business Combination

The Group has elected to apply the relevant Ind AS, viz. Ind AS103, Business Combinations, to only those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired(acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

g) Revenue recognition

Service Income

Service income is recognized, exclusive of taxes, as and when the services are rendered. 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.

Interest income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income ('OCI'), interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

h) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the itemsless accumulated depreciation and impairment loss. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Items of spare parts that meet the definition of 'property, plant and equipment' have been recognised as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available foruse, it may be depreciated from the date of purchase of the spare part.

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation methods, estimated useful lives and residual value
Depreciation on property, plant and equipment is provided using the written down method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirements of Schedule II of the Act. The estimate of the useful life of the assets has been assessed based on technical advice which considered the nature of the asset, the usage of the asset,expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. Cost of lease-hold land is amortized equally over the period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation methods, estimated useful lives and residual value
Intangible assets are amortisedin statement of Profit and Loss over their estimated useful lives based on underlying contracts where applicable.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

j) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:
1. In case of individual asset, at higher of the fair value less cost to sell and value in use; and
2. In case of cash-generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash-generating unit’s fair value less cost to sell and the value in use.

Notes to consolidated financial statements for the year ended 31st March, 2019

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

k) Leases- Company as a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

m) Financial instruments

A. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1. Financial assets at amortised cost
2. Financial assets at fair value through other comprehensive income (FVTOCI)
3. Financial assets at fair value through profit or loss (FVTPL)
4. Equity instruments measured at fair value through other comprehensive income ('FVTOCI')

Notes to consolidated financial statements for the year ended 31st March, 2019

Financial asset at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:
1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial asset at FVTOCI

A financial asset is classified as at the FVTOCI if both of the following criteria are met:
1. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
2. The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, a company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, company has taken an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the Statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1. The rights to receive cash flows from the asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

   a) the Company has transferred substantially all the risks and rewards of the asset, or
   b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The company assesses impairment based on expected credit loss (ECL) model to the following:

1. Financial assets measured at amortised cost;
2. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

1. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

2. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

1. Trade receivables or contract revenue receivables; and
2. All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company follows the simplified approach permitted by IndAS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplifiedapproach does not require the Company to track changes in credit risk of trade receivable. The Companycalculates the expected credit losses on trade receivables using a provision matrix on the basis of its historicalcredit loss experience.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Notes to consolidated financial statements for the year ended 31st March, 2019

B. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

1. Financial liabilities at fair value through profit or loss
2. Loans and borrowings measured on amortised cost basis
3. Financial guarantee contracts

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

C. Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to consolidated financial statements for the year ended 31st March, 2019

D. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Premium/Discount, in respect of forward foreign exchange contract, is recognised over the life of the contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rate changes. Profit/Loss on cancellation / renewal of forward exchange contract is recognized as income/expense.

n) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

1. deductible temporary differences;
2. the carry forward of unused tax losses; and
3. thecarry forward of unused tax credits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the

MAT credit becomes eligible to be recognized; it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

o) Inventories

Inventories are valued at the Market Value.

Inventories 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.

p) Employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

1. The date of the plan amendment or curtailment, and
2. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
2. Net interest expense or income

Long-term employee benefits

Post-employment and other employee benefits are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expenses are recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post-employment and other long term benefits are charged to the statement of other comprehensive income.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r) Segment accounting:

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Consolidated Financial Statements.

Notes to consolidated financial statements for the year ended 31st March, 2019

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocated to segments on a reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

s) Provisions, Contingent liabilities, Contingent assets and Commitments:

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;

3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

t) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company’s earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

u) Use of estimates and judgments

The presentation of the Consolidated Financial Statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management’s evaluation of relevant facts and circumstances as on the date of Consolidated Financial Statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are significant management judgements in applying the accounting policies of the Company that have a significant effect on the Consolidated Financial Statements.

Notes to consolidated financial statements for the year ended 31st March, 2019

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Classification of assets and liabilities into current and non-current

The management classifies the assets and liabilities into current and non-current categories based on the operating cycle of the respective business / projects.

Impairment of assets

In assessing impairment, management estimates the recoverable amounts of each asset or CGU (in case of non-financial assets) based on expected future cash flows and uses an estimated interest rate to discount them. Estimation relates to assumptions about future cash flows and the determination of a suitable discount rate.

Useful lives of depreciable / amortisable assets (Property, plant and equipment, intangible assets and investment property)

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected usage of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the usage of certain assets.

Defined benefit obligation (DBO)

The cost of defined benefit gratuity plan and the present value of the gratuity obligation along with leave salary are determined using actuarial valuations. An actuarial valuation involves making various assumptions such as standard rates of inflation, mortality, discount rate, attrition rates and anticipation of future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument /assets. Management bases its assumptions on observable data as far as possible but this may not always be available. In that case management uses the best relevant information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

v) Statement of cash flows

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Company are segregated.

w) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability, or
2. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to consolidated financial statements for the year ended 31st March, 2019

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

1. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
2. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
3. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Notes to consolidated financial statements for the year ended 31st March, 2019

Note 2: Property, Plant and Equipment (PPE)

Description	Air Conditioners	Computer	Furniture & Fixtures	Vehicles	Office Equipment	V-sat Equipment	Total	Capital Work in Progress
Cost as at 1 April 2017	**14,06,335**	**4,61,94,681**	**79,90,103**	**57,52,738**	**1,00,38,281**	**1,11,67,083**	**8,25,49,221**	**-**
Additions	2,70,151	53,24,537	7,91,171	-	17,90,454	-	81,76,313	11,16,445
Deletions	1,07,699	1,30,010	1,95,420	2,05,000	91,085	-	7,29,214	-
Cost as at 31 March 2018	**15,68,787**	**5,13,89,208**	**85,85,854**	**55,47,738**	**1,17,37,650**	**1,11,67,083**	**8,99,96,320**	**11,16,445**
Additions	1,95,703	39,40,382	29,43,611	25,00,000	6,93,869	-	1,02,73,565	-
Deletions	1,22,800	3,29,152	3,88,191	-	1,15,754	-	9,55,897	-
Cost as at 31 March 2019	**16,41,690**	**5,50,00,438**	**1,11,41,274**	**80,47,738**	**1,23,15,765**	**1,11,67,083**	**9,93,13,988**	**11,16,445**
Accumulated depreciation as at 1 April 2017	**2,23,005**	**3,05,77,751**	**38,00,453**	**9,59,531**	**65,06,380**	**1,06,08,734**	**5,26,75,854**	**-**
Depreciation for the period	2,77,049	56,07,203	12,87,182	6,04,344	10,44,260	-	88,20,038	-
Deletions	70,113	40,643	1,68,405	-	45,358	-	3,24,519	-
Accumulated depreciation as at 31 MARCH 2018	**4,29,941**	**3,61,44,311**	**49,19,230**	**15,63,875**	**75,05,282**	**1,06,08,734**	**6,11,71,373**	**-**
Depreciation for the period	3,01,957	57,23,339	12,20,213	5,50,536	13,01,263	-	90,97,308	-
Deletions	63,125	1,76,798	3,68,657	-	82,181	-	6,90,761	-
Accumulated depreciation as at 31 MARCH 2019	**6,68,773**	**4,16,90,852**	**57,70,786**	**21,14,411**	**87,24,364**	**1,06,08,734**	**6,95,77,920**	**-**
Net carrying amount as at 31 March 2018	**11,38,846**	**1,52,44,897**	**36,66,624**	**39,83,863**	**42,32,368**	**5,58,349**	**2,88,24,947**	**11,16,445**
Net carrying amount as at 31 March 2019	**9,72,917**	**1,33,09,586**	**53,70,488**	**59,33,327**	**35,91,401**	**5,58,349**	**2,97,36,068**	**-**

Note: 3 Intangible assets

Description	Computer Software
Cost as at 31 March 2017	**5,88,925**
Additions	5,53,375
Deletions	-
Cost as at 31 March 2018	**11,42,300**
Additions	-
Deletions	-
Cost as at 31 March 2019	**11,42,300**
Accumulated amortisation as at 31 MARCH 2017	**2,42,913**
Amortisation for the period	1,38,623
Deletions	-
Accumulated amortisation as at 31 MARCH 2018	**3,81,536**
Amortisation for the period	2,26,040
Deletions	-
Accumulated amortisation as at 31 MARCH 2019	**6,07,576**
Net carrying amount as at 31 March 2018	**7,60,764**
Net carrying amount as at 31 March 2019	**5,34,724**

Notes to consolidated financial statements for the year ended 31st March, 2019

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 4		
Non-current Investments		
A. Investments in Subsidiaries & Associates- Valued at Cost		
Investment in Associate Company		
Investment in Networth Financial Service Limited (9,49,400 (Previous year: 9,49,400) equity shares of Rs. 10 each, fully paid up)	88,29,836	88,49,763
Investments in Subsidiaries & Associates	**88,29,836**	**88,49,763**
B. Other Investment in equity - quoted (At Fair Value through Other Comprehensive Income)		
- Sadbhav Engineering Limited (1310 (Previous year: 1310)) equity shares of Rs. 10 each, fully paid up)	3,27,959	5,10,180
- Unistar Multimedia Limited (774262 (Previous Year: 774262)) equity shares of Rs. 10 each, fully paid up)	22,06,647	21,29,221
- Bombay Stock Exchange Limited- (5700 (Previous year: 5700)) equity shares of Rs. 2 each, fully paid up)	34,90,680	43,10,340
- Rattanpower India Limited (229000 (Previous year: 229000)) equity shares of Rs. 10 each, fully paid up)	6,22,880	11,79,350
	66,48,166	**81,29,091**
Less : Provision for diminution in value of investments	-	-
Other Investment in equity	**66,48,166**	**81,29,091**
C. Investment in Government or Trust Securities- At Amortised Cost		
National savings certificates	38,000	38,000
Life Insurance Policies	59,680	59,680
Total	**97,680**	**97,680**
Total	**1,55,75,682**	**1,70,76,534**
Aggregate amount of quoted investments	**66,48,166**	**81,29,091**
Aggregate amount of unquoted investments	**89,27,516**	**89,47,443**
	1,55,75,682	**1,70,76,534**

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 5		
Other Financial Assets		
Unsecured considered good unless stated otherwise :		
a. Security Deposits		
Deposit with Stock Exchange & Financial Institutions	6,03,10,164	5,92,63,664
Additional Base capital with Clearing Member	17,60,12,136	31,92,39,258
b. Balance with Revenue Authorities		
Advance to Government Authorities	2,93,00,885	2,12,76,940
c. Other Deposits		
Deposits for Arbitration Order	1,32,19,464	1,41,51,444
Deposits for PMS		
Deposits for Office Premises	9,69,96,127	9,76,75,020
Contribution towards Gratuity Fund	-	15,08,876
Deposits for Telephone, VSAT, Electricity etc.	16,54,054	16,56,600
Total	**37,74,92,830**	**51,47,71,802**

Notes to consolidated financial statements for the year ended 31st March, 2019

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 6		
DEFERRED TAX ASSETS (NET)		
The movement on the deferred tax account is as follows:		
At the start of the year	1,77,18,696	1,98,05,048
Charge/(credit) to statement of Profit and Loss	(19,68,342)	(20,86,352)
At the end of the year	1,57,50,354	1,77,18,696
MAT Receivable	4,33,48,252	2,69,85,777
Total	**5,90,98,606**	**4,47,04,473**

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 7		
Inventories		
Stock in Trade*	3,29,15,582	3,10,49,737
Total	**3,29,15,582**	**3,10,49,737**

* 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.

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 8		
Trade Receivables		
Trade Receivables from Stock Broking Activities		
-considered good, outstanding for more then six month	7,11,98,886	7,37,09,730
-considered good, outstanding for less then six month	62,52,83,633	48,32,40,073
Total Trade Receivables	**69,64,82,519**	**55,69,49,803**
Others Trade Receivables: considered good		
MTF Funding Debtors	4,52,64,124	2,18,81,396
Other Receivables	1,44,48,978	1,52,14,038
Total	**75,61,95,621**	**59,40,45,237**

Note :

The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. As per management opinion, there is no Expected Credit Loss in Trade Receivables of the Company and all are on fair value, based on the assessment and judgement made by the management comprising directors of the company.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or otherreceivable are due from firms or private companiesrespectively in which any directoris a partner, a director or a member

Notes to consolidated financial statements for the year ended 31st March, 2019

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 9		
Cash and cash equivalents		
Cash on Hand	3,60,255	1,97,101
Balance with Bank	30,90,68,555	39,31,36,511
Fixed deposits held as margin deposits	42,89,74,759	18,64,04,949
Other Fixed Deposits	20,58,35,408	10,57,43,555
Total	**94,42,38,977**	**68,54,82,116**

Notes:

1. Fixed deposits includes Rs. 42,39,74,759 and Rs. 18,64,04,949 for the year ended 31 March 2019 and 31 March 2018, respectively, under lien with banks towards bank guarantee, short term loans or kept as security with Exchanges as margin money.
2. Cash and Bank balances as on 31 March 2019 and as on 31 March 2018 include cheques on hands, which were cleared subsequent to the year end on periodic basis.

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 10		
Loans and Advances		
Advances to Staff	27,73,333	36,74,934
Advances to Suppliers	9,41,183	16,37,475
Prepaid Expenses	89,40,120	94,69,781
Receivables from Related Party	3,16,80,657	-
Advance against capital goods	75,00,000	-
Loan - others Advances	3,46,57,086	8,61,78,053
Total	**8,64,92,379**	**10,09,60,244**

	Particulars	As at 31 March 2019	As at 31 March 2018
	Note: 11		
	Share Capital		
a	**Authorised :**		
	Equity Shares of Rs. 10/- each		
	540,00,000 (Previous year 540,00,000) Equity shares	54,00,00,000	54,00,00,000
	60,00,000 (Previous Year 60,00,000) Redeemable Preference Shares of Rs.10 each	6,00,00,000	6,00,00,000
	5,00,000-6% Cumulative Redeemable preference Share of Rs. 100/- each	5,00,00,000	5,00,00,000
	TOTAL	**65,00,00,000**	**65,00,00,000**
b	**Issued and Subscribed and Paid up:**		
	3,10,49,518 (Previous year 3,10,49,518) Equity Shares of Rs. 10/- each fully paid up	31,04,95,180	31,04,95,180
	TOTAL	**31,04,95,180**	**31,04,95,180**
c	**Reconciliation of number of shares outstanding at the beginning and end of the year :**		
	Equity share :		

Notes to consolidated financial statements for the year ended 31st March, 2019

	Outstanding at the beginning of the year	3,10,49,518	3,10,49,518
	Add/(Less) : Adjustments during the year	-	-
	Equity shares allotted as fully paid bonus shares by capitalisation of reserves	-	-
	Equity Shares bought back during the year		
	Outstanding at the end of the year	**3,10,49,518**	**3,10,49,518**

d Terms / Rights attached to each classes of shares

Terms / Rights attached to Equity shares

The Company has only one class of equity shares with voting rights having a par value of Re 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

During the year ended 31 March 2019, the amount of dividend per equity share recognised as distributions to equity shareholders is NIL (previous year NIL).

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e Shareholders holding more than 5% shares in the company is set out below:

Equity share	**As at 31 March 2019**		**As at 31 March 2018**	
	No. of Shares	**%**	**No. of Shares**	**%**
VAIBHAV JAYANTILAL SHAH	31,08,815	10.01%	31,08,815	10.01%
SURESH P JAIN	24,42,165	7.87%	26,42,165	8.51%
SURESH BABULAL BAFNA	25,12,500	8.09%	25,12,500	8.09%
BELA HIMANSHU SHAH	24,06,000	7.75%	24,06,000	7.75%
BANKIM JAYANTILAL SHAH	22,06,000	7.10%	22,06,000	7.10%
METAPHOR REALTY INVESTMENTS PRIVATE LIMITED	24,12,000	7.77%	24,12,000	7.77%

Note: The Paid up Share Capital of the Company has been increased w.e.f. 01st April, 2017 post approval of Scheme of Amalgamtion by Hon'ble NCLT vide their order dated 09th May, 2019 but the actual allotment is under process, as the Company has applied with BSE Limited for their prior approval for allotment of such shares post amalgmation

g 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.

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

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Note: 12		
Other Equity		
Reserves & Surplus		
Capital reserve - at the beginning of the year	**1,51,63,560**	**1,51,63,560**
Add: Addition during the year		

Notes to consolidated financial statements for the year ended 31st March, 2019

At the end of the year	**1,51,63,560**	**1,51,63,560**
Securities premium reserve - at the beginning of the year	**34,75,69,238**	**34,75,69,238**
Add: Addition during the year	-	-
At the end of the year	**34,75,69,238**	**34,75,69,238**
Retained earnings - at the beginning of the year	**1,45,97,067**	**(17,41,96,070)**
Add: Addition during the year	13,05,22,951	18,87,19,722
Add: Prior Period Adjustments	-	73,415
Less: Merger Reserve Fund for other companies	(1,00,00,000)	-
Less: Transfer to General Reserve	-	-
At the end of the year	**13,51,20,018**	**1,45,97,067**
Total Reserves & Surplus	**49,78,52,816**	**37,73,29,865**
Other comprehensive income	-	-
Remeasurements of the net defined benefit Plans	2,78,427	2,79,713
Add: Addition during the year	(10,56,527)	(1,286)
At the end of the year	(7,78,100)	2,78,427
Fair valuation of investments in equity shares	**(41,25,327)**	**7,71,905**
Add: Addition during the year	(14,80,925)	(48,97,232)
At the end of the year	**(56,06,252)**	**(41,25,327)**
Total Other comprehensive income	**(63,84,352)**	**(38,46,900)**
Total Other Equity	**49,14,68,464**	**37,34,82,965**

The Description of the nature and purpose of each reserve within equity is as follows:

a) **Capital reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase.

b) **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures,write-off equity related expenses like underwriting costs, etc.

c) **Retained earnings:** Retained earnings represents undistributed profits of the company

d) Other comprehensive income:

(i) The company has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity.

(ii) Remeasurements of defined benefit liability comprises of actuarial gains and losses.

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 13		
Non Current Borrowing		
Secured		
Loan from ICICI Bank Ltd	11,71,129	18,31,876
(Secured against hypothecation of Car)		
Unsecured		
Deposits from Business Associates	2,28,68,451	2,74,51,854
Total	**2,40,39,580**	**2,92,83,730**

Notes to consolidated financial statements for the year ended 31st March, 2019

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 14		
Non Current Provisions		
Provision for Gratuity	1,50,85,071	1,26,04,257
Total	**1,50,85,071**	**1,26,04,257**

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 15		
Current Borrowings		
Secured Borrowings		
- Overdraft from HDFC Bank	15,02,32,030	55,51,101
(Secured against hypothecation of Office premises & Securities,and Personal guarantee of Key Management)		
- Loan from Banks	8,97,50,000	-
(Secured against pledge of Fixed Deposits)		
- Borrowings from Financial Institutions	-	1,15,405
(Secured against Hypothication of Stock)		
Current Maturities of Long Term Borrowings		
Loan from ICICI Bank Ltd	6,60,748	6,01,043
Unsecured Borrowings		
- Other than promoter group	30,00,000	11,80,19,863
- Related Parties	1,93,47,615	67,95,275
Total	**26,29,90,393**	**13,10,82,687**

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 16		
Trade Payable		
Payable to Trade Clients	36,89,20,887	23,39,35,249
Margin Payable to Clearing Member	67,02,47,333	68,78,79,659
Payable to MTF Clients	75,66,592	72,59,955
Other Payable	31,30,957	53,08,892
Total	**1,04,98,65,769**	**93,43,83,756**

Notes:
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.

Notes to consolidated financial statements for the year ended 31st March, 2019

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 17		
Other Current financial liabilities		
Creditors for Expenses	40,70,381	72,77,260
Salary & Reimbursements	35,46,421	1,78,34,792
Total	**76,16,802**	**2,51,12,053**

Notes:
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.

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 18		
Current Provisions		
Provision for Expenses	61,29,741	33,38,652
Provision for Income Tax	(24,62,666)	3,09,96,035
Provision for Gratuity (Current)	26,69,299	23,53,578
Provision for Salary	24,400	4,04,144
Provision for CRS	27,09,870	27,50,000
Contingent Provisions against Standard Assets	13,02,005	9,89,003
Total	**1,03,72,649**	**4,08,31,413**

Particulars	As at 31 March 2019	As at 31 March 2018
Note: 19		
Other Current Liabilities		
Statutory Remittances	1,18,49,747	1,22,04,488
Deposits from Clients	11,64,13,416	14,08,52,480
Advance Brokerage from Client	17,28,021	12,78,244
Other Current Liabilities	3,55,378	71,81,046
Total	**13,03,46,562**	**16,15,16,259**

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 20		
Income from Operation		
Brokerage & Related income	50,31,32,340	65,77,70,669
Demat Income	2,68,52,081	3,30,17,881
Merchant Banking income	2,20,29,462	87,79,690
Income from Advisory Services	1,50,74,041	77,56,959
Other Income	12,60,87,579	17,45,13,483
Total	**69,31,75,503**	**88,18,38,681**

Notes to consolidated financial statements for the year ended 31st March, 2019

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 21		
Other Income		
Dividend Income	2,05,200	1,77,683
Interest Received On Fixed Deposits	3,49,04,450	2,07,30,600
Income Tax Refund	41,11,540	-
Interest on Income Tax Refund	29,53,547	15,59,760
Interest Received On Staff Loan	1,38,820	1,79,383
Interest income from Others	2,21,24,494	1,41,58,762
Income From Trading In Securities	(1,64,22,097)	(34,48,834)
Penalty Charges Recovered	2,00,363	3,36,826
Profit on Error Holding	(1,75,036)	8,36,998
MTF Interest Income	57,59,607	1,35,364
Other Income	1,52,49,758	2,75,49,137
Total	**6,90,50,646**	**6,22,15,680**

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 22		
Employee Benefit Expenses		
Salary & Other Allowances		
Employee Salary	23,02,21,837	21,85,77,962
Director Remuneration	43,71,060	41,12,556
Performance Incentive	51,73,453	95,74,464
Statutory Contribution	1,55,34,820	1,38,08,777
Staff Welfare Charges	44,81,549	48,06,960
Total	**25,97,82,719**	**25,08,80,719**

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 23		
Operating Expenses		
Demat Related Charges	1,03,95,082	1,88,17,735
Sub Brokerage & Commission Expenses	15,43,11,325	21,30,48,243
Stamping Charges	7,15,106	16,66,526
Penalty Account	1,44,993	8,54,593
Exchange Expenses	9,03,427	5,83,064
Connectivity Charges	67,88,558	78,84,161
Membership Fees & Subscription	30,61,451	53,54,171
Software Charges	84,08,008	56,24,832
Claw Back & Brokerage Charges	4,48,233	1,50,974
Total	**18,51,76,183**	**25,39,84,299**

Notes to consolidated financial statements for the year ended 31st March, 2019

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 24		
Finance Cost		
Interest On Bank OD & Fin Institutions	3,66,67,112	5,51,89,654
Interest On Car Loan	1,99,237	2,53,547
Bank Guarantee Charges	64,70,181	66,80,813
Stamp Duty on Bank Facilities	4,00,000	-
Bank & Fin Institution charges	75,511	5,33,998
Interest on Late Payment of Tax Dues	16,594	50,857
Other Interest (Clients)	39,25,008	57,75,363
Total	**4,77,53,643**	**6,84,84,232**

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 25		
Other Expenses		
Administration expenses		
Legal & Professional Charges	2,19,38,835	1,73,32,984
Telephone/Communication Charges	62,54,384	49,12,792
Electricity Charges	1,00,43,267	1,03,49,441
Rent Rates & Taxes	3,84,53,611	3,59,71,257
Municipal Taxes	8,65,180	10,39,285
Repairs & Maintenance	73,39,852	89,11,246
Manpower supply charges	10,17,049	37,20,776
Insurance Charges	1,43,020	7,34,358
Postage & Courier Charges	31,15,199	46,20,292
Conveyance & Travelling	73,96,395	74,67,514
Printing Stationery & Xerox Charges	23,46,213	32,06,846
Office expenses	40,64,267	49,63,417
Misc. Expenses	13,483	(1,35,845)
Festival Expenses	20,53,591	26,09,369
Corporate Social Responsibility	33,59,553	21,00,000
Staff Recruitment Expenses	6,79,311	1,26,930
Auditors' Remuneration	6,99,000	6,60,920
Bad debts/Sundry Balance written off	69,39,948	2,95,21,109
Loss on Assets sold / discarded	49,779	45,474
Other Expenses	60,000	6,65,299
Charity & Donations	9,31,800	9,31,501
Selling & Distribution Expenses		
Advertisement/Sposership	7,30,087	54,41,364
Business Promotion Expenses	21,69,595	17,12,174
Total of Administrative, selling and Distribution	**12,06,63,419**	**14,69,08,503**

Notes to consolidated financial statements for the year ended 31st March, 2019

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Note: 26		
Statement of other comprehensive income		
(i) Items that will not be reclassified to profit or loss		-
Changes in revaluation surplus	-	-
Remeasurements of the defined benefit plans	(14,90,585)	(1,861)
Equity Instruments through Other Comprehensive Income	(14,80,925)	(48,97,232)
	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	4,34,058	575
Total	**(25,37,452)**	**(48,98,518)**

Note: 27
Corporate social responsibility

Pursuant to the application of Section 135 of the Act and the Rules framed thereunder, the Company has constituted the CSR committee. The company is required to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years as per the activities which are specified in Schedule VII of the Act and the Company has decided to spend the amount by way of contribution to a Trust . The disclosure as required by the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities issued by the Institute of Chartered Accounts of India are as follows:

Particulars	Year Ended on 31 March 2019	Year Ended on 31 March 2018
Gross amount required to be spent by the Company during the year	32,09,870	28,99,683
Amount Spent during the year	5,00,000	28,99,683

Note: 28
Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares. “

i. Profit attributable to Equity holders

	31-Mar-19 INR	31-Mar-18 INR
Profit attributable to equity holders :		
Continuing operations	12,79,85,499	18,38,21,204
Discontinued operations	-	-
Profit attributable to equity holders for basic earnings	**12,79,85,499**	**18,38,21,204**
Adjustments:		
Others	-	-
Profit attributable to equity holders adjusted for the effect of dilution	**12,79,85,499**	**18,38,21,204**

Notes to consolidated financial statements for the year ended 31st March, 2019

ii. Weighted average number of ordinary shares

	31-Mar-19 INR	31-Mar-18 INR
Issued ordinary shares at April 1	3,10,49,518	3,10,49,518
Effect of shares issued as Bonus shares	-	-
Effect of shares bought back during the year	-	-
Weighted average number of shares at March 31 for EPS	**3,10,49,518**	**3,10,49,518**
Effect of dilution:		
Share options	-	-
Convertible preference shares	-	-
	3,10,49,518	**3,10,49,518**

iii. Basic and Diluted earnings per share

	31-Mar-19 INR	31-Mar-18 INR
Basic earnings per share	4.12	5.92
Diluted earnings per share	4.12	5.92

Note: 29
Tax expense

(a) Amounts recognised in profit and loss

	For the year ended	
	31-Mar-19	31-Mar-18
Current income tax	4,24,77,911	4,73,50,000
Changes in tax estimates of prior years	32,72,179	14,16,693
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	24,02,399	20,86,928
Deferred tax expense	24,02,399	20,86,928
Tax expense for the year	**4,81,52,489**	**5,08,53,621**

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(14,90,585)	4,34,058	(10,56,527)	(1,861)	575	(1,286)
Equity Instruments through Other Comprehensive Income	(14,80,925)	-	(14,80,925)	(48,97,232)	-	(48,97,232)
Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(29,71,510)	**4,34,058**	**(25,37,452)**	**(48,99,093)**	**575**	**(48,98,518)**

Notes to consolidated financial statements for the year ended 31st March, 2019

(c) Reconciliation of effective tax rate on the Amounts recognised in profit and loss as Current Income Tax

	For the year ended	
	31-Mar-19	31-Mar-18
Profit before tax	**14,94,25,260**	**21,52,71,775**
Statutory income tax rate	29.120%	21.342%
Tax using the Company's domestic tax rate	4,35,12,636	4,59,42,441
Tax effect of:		
Non-deductible tax expenses	20,00,414	22,42,463
Tax-exempt income	(12,57,035)	(5,74,451)
Deductions Under Income Tax Act	(2,40,677)	(84,559)
Temporary Adjustments	(36,30,719)	(12,27,368)
Brought Forward Losses/ MAT Credit Entitlement/Other Adjustments	20,93,292	10,50,833
	4,24,77,911	**4,73,49,360**

(d) Movement in deferred tax balances

Particular	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	31-Mar-19	
				Net	Deferred tax asset/ (Deferred tax liability)
Deferred tax asset/(Liabilities)					
Property, plant and equipment	1,10,05,373	(4,27,158)		1,05,78,215	1,05,78,215
Compensated absences and gratuity	45,86,255	1,27,486	4,34,058	51,47,799	51,47,799
Investments in unquoted equity shares	20,60,000	(20,60,000)		-	-
Provision for Doubtful Debt	67,068	(42,729)		24,339	24,339
Tax assets (Liabilities)	**1,77,18,696**	**(24,02,401)**	**4,34,058**	**1,57,50,354**	**1,57,50,354**
Set off tax					
Net tax assets	**1,77,18,696**	**(24,02,401)**	**4,34,058**	**1,57,50,354**	**1,57,50,354**

(e) Movement in deferred tax balances

Particular	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	31-Mar-18	
				Net	Deferred tax asset/ (Deferred tax liability)
Deferred tax asset/(liabilities)					
Property, plant and equipment	1,35,71,095	(25,65,722)		1,10,05,373	1,10,05,373
Compensated absences and gratuity	41,06,885	4,78,795	575	45,86,255	45,86,255
Investments in unquoted equity shares	20,60,000	-		20,60,000	20,60,000
Provision for Doubtful Debt	67,068		-	67,068	67,068
Tax assets (Liabilities)	**1,98,05,048**	**(20,86,927)**	**575**	**1,77,18,696**	**1,77,18,696**
Set off tax					
Net tax assets	**1,98,05,048**	**(20,86,927)**	**575**	**1,77,18,696**	**1,77,18,696**

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to consolidated financial statements for the year ended 31st March, 2019

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Note: 30
Employee benefit expense

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company recognised following amounts for provident fund and ESIC contributions in the Statement of Profit and Loss.

	Year ended 31-Mar-19	**Year ended 31-Mar-18**
Contribution to Provident Fund	74,70,299	76,70,928
Contribution to ESIC	23,10,008	26,60,617
	97,80,307	**1,03,31,545**

(ii) Defined Benefit Plan:

A) The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

i) On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service:

As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31-Mar-19	**31-Mar-18**
Net defined benefit asset	-	-
Total employee benefit asset	**-**	**-**
Net defined benefit liability		
Liability for Gratuity	1,77,54,370	1,49,57,835
Total employee benefit liabilities	**1,77,54,370**	**1,49,57,835**
Non-current	1,50,85,071	1,26,04,257
Current	26,69,299	23,53,578

Notes to consolidated financial statements for the year ended 31st March, 2019

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Opening balance	1,58,28,214	1,42,01,661	11,19,063	10,56,660	1,47,09,151	1,31,45,001
Included in profit or loss					-	-
Current service cost	23,24,588	20,90,476	-	-	23,24,588	20,90,476
Past service cost	-	17,954	-	-	-	17,954
Interest cost (income)	9,41,194	7,80,572	62,105	69,740	8,79,089	7,10,832
	1,90,93,996	**1,70,90,663**	**11,81,168**	**11,26,400**	**1,79,12,828**	**1,59,64,263**
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	1,65,896	(2,04,394)	-	-	1,65,896	(2,04,394)
Experience adjustment	12,79,070	1,60,065	-	-	12,79,070	1,60,065
Return on plan assets excluding interest income	-	-	(45,619)	(46,190)	45,619	46,190
	14,44,966	**(44,329)**	**(45,619)**	**(46,190)**	**14,90,585**	**1,861**
Other						
Contributions paid by the employer	-	-	9,00,000	5,00,000	(9,00,000)	(5,00,000)
Benefits paid	(26,73,006)	(12,18,120)	(13,88,699)	(4,61,147)	(12,84,307)	(7,56,973)
Closing balance	**1,78,65,956**	**1,58,28,214**	**6,46,850**	**11,19,063**	**1,72,19,106**	**1,47,09,151**

Represented by:

Net defined benefit asset	6,46,850	11,19,063
Net defined benefit liability	1,72,19,106	1,47,09,151
	1,78,65,956	**1,58,28,214**

Maturity Analysis of Projected Benefit Obligation from the reporting year:

	1st Following Year	2nd Following Year	3rd Following Year	4th Following Year	5th Following Year	Sum of Years 6 To 10
March 31, 2019	51,46,600	40,37,875	33,97,033	25,84,011	18,84,479	39,14,115
March 31, 2018	51,43,925	33,42,085	29,29,414	21,51,062	16,06,649	34,30,896

C. Plan assets

Plan assets comprise the following:

	31-Mar-19	31-Mar-18
Policy of insurance	100%	59%
Bank Balance	0%	41%
	100%	**100%**

Notes to consolidated financial statements for the year ended 31st March, 2019

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31-Mar-19	31-Mar-18
Discount rate	7.10%	6.60%
Salary escalation rate	5.10%	5.10%
Withdrawal Rates	30% at all ages	30% at all ages
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-19		31-Mar-18	
	Increase	Decrease	Increase	Decrease
Rate of discounting (0.50% movement)	1,76,29,989	1,81,08,967	1,56,29,692	1,60,32,608
Rate of salary increase (0.50% movement)	1,81,10,889	1,76,25,502	1,60,35,075	1,56,25,382
Rate of employee turnover (10% movement)	1,77,33,537	1,79,94,901	1,57,52,797	1,58,99,835

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Note: 31
Leases- Operating leases

Leases as lessee

a) The Company has entered into cancellable operating leasing arrangements for residential and office premises. Following Lease rentals has been included under the head "Other Expenses" under Note No 25 in the notes to the financial statements.

	Year ended 31-Mar-19	Year ended 31-Mar-18
Lease Rental Payments	3,84,53,611	3,59,71,257
	3,84,53,611	**3,59,71,257**

b) Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were payable as follows.

	31-Mar-19 INR	31-Mar-18 INR
Less than one year	55,20,262	45,48,121
Between one and five years	3,24,46,680	2,55,58,968
	3,79,66,942	3,01,07,089

Notes to consolidated financial statements for the year ended 31st March, 2019

Note: 32
Fair value disclosures

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31-Mar-19	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	-	1,55,75,682	-	1,55,75,682	66,48,166	-	-	66,48,166
Non-current loans	-	-	37,74,92,830	37,74,92,830			-	-
Trade receivables	-	-	75,61,95,621	75,61,95,621	-	-	-	-
Cash and cash equivalents	-	-	94,42,38,977	94,42,38,977	-	-	-	-
Current Loans and advances	-	-	8,64,92,379	8,64,92,379	-	-	-	-
	-	**1,55,75,682**	**2,16,44,19,807**	**2,17,99,95,488**	**66,48,166**	**-**	**-**	**66,48,166**
Financial liabilities								
Non-current borrowings	-	-	2,40,39,580	2,40,39,580	-	-	-	-
Current borrowings	-	-	26,29,90,393	26,29,90,393	-	-	-	-
Trade payables	-	-	1,04,98,65,769	1,04,98,65,769	-	-	-	-
Other Non-Current financial liabilities	-	-	76,16,802	76,16,802	-	-	-	-
	-	**-**	**1,34,45,12,544**	**1,34,45,12,544**	**-**	**-**	**-**	**-**

31-Mar-18	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	-	1,70,76,534	-	1,70,76,534	81,29,091	-	-	81,29,091
Non-current loans	-	-	51,47,71,802	51,47,71,802			-	-
Trade receivables	-	-	59,40,45,237	59,40,45,237	-	-	-	-
Cash and cash equivalents	-	-	68,54,82,116	68,54,82,116	-	-	-	-
Current Loans and advances	-	-	10,09,60,244	10,09,60,244	-	-	-	-
	-	**1,70,76,534**	**1,89,52,59,399**	**1,91,23,35,933**	**81,29,091**	**-**	**-**	**81,29,091**
Financial liabilities								
Non-current borrowings	-	-	2,92,83,730	2,92,83,730	-	-	-	-
Current borrowings	-	-	13,10,82,687	13,10,82,687	-	-	-	-
Trade payables	-	-	93,43,83,756	93,43,83,756	-	-	-	-
Other Non-Current financial liabilities	-	-	2,51,12,053	2,51,12,053	-	-	-	-
	-	**-**	**1,11,98,62,226**	**1,11,98,62,226**	**-**	**-**	**-**	**-**

(1) Assets that are not financial assets, in the opinion of the management are not included.
(2) Other liabilities that are not financial liabilities, in the opinion of the management are not included.
(3) In the opinion of the management, based on the details available with the company, all the financial assets and liabilities are tested for valuation, to identify their fair value, as prescribed in Indian Accounting Standards, and are measured at fair value, to the extent possible. The assets/ liabilities, which are not possible to be measured at fair value, in the opinion of the management, are presented in the financial statements at their book value, without any adjustment towards fair valuation.

Notes to consolidated financial statements for the year ended 31st March, 2019

B. Measurement of fair values (Key inputs for valuation techniques):

1. Listed Equity Investments (other than Subsidiaries, Joint Ventures and Associates): Quoted Bid Price on Stock Exchange (Level 1)
2. Forward contracts : Forward exchange rate is taken from Foreign Exchange Dealers Association of India (FEDAI) (Level 1)
3. Valuation techniques and significant unobservable inputs: Not applicable (Level 3)

Transfers between Levels 1 and 2

There were no transfer from Level 1 to Level 2 or vice versa in any of the reporting periods.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Financial instruments – Fair values and risk management (continued)

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

Total Trade receivables as on 31 March 2019 are as follows:

31 March 2019	75,61,95,621
31 March 2018	59,40,45,237

The Company does not have higher concentration of credit risks to a single customer.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Notes to consolidated financial statements for the year ended 31st March, 2019

The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed half yearly. Any sales exceeding those limits require approval from the Board of Directors.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

At 31 March 2019, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	Carrying amount (in INR)	
	31 March 2019	**31 March 2018**
India	75,61,95,621	59,40,45,237
	75,61,95,621	**59,40,45,237**

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	31 March 2019	31 March 2018
Opening balance	**-**	**-**
Provision for receivables impairment	-	-
Receivables written off during the year as uncollectible	-	-
Provision released during the year	-	-
Closing balance	**-**	**-**

Cash and cash equivalents

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses product-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Notes to consolidated financial statements for the year ended 31st March, 2019

31-Mar-19	**Contractual cash flows**					
	Carrying amount	**Total**	**12 months or less**	**1-2 years**	**2-5 years**	**More than 5 years**
INR						
Non-derivative financial liabilities						
Non-current borrowings	2,40,39,580	2,40,39,580	-	-	11,71,129	2,28,68,451
Current borrowings	26,29,90,393	26,29,90,393	26,29,90,393	-	-	-
Trade payables	1,04,98,65,769	1,04,98,65,769	1,04,98,65,769	-	-	-
Other financial liabilities	76,16,802	76,16,802	76,16,802	-	-	-
Derivative financial liabilities						
Forward exchange contracts	-	-	-	-	-	-

31-Mar-18	**Contractual cash flows**					
	Carrying amount	**Total**	**12 months or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Non-current borrowings	2,92,83,730	2,92,83,730	-	-	18,31,876	2,74,51,854
Current borrowings	13,10,82,687	13,10,82,687	13,10,82,687	-	-	-
Trade payables	93,43,83,756	93,43,83,756	93,43,83,756	-	-	-
Other financial liabilities	2,51,12,053	2,51,12,053	2,51,12,053	-	-	-
Derivative financial liabilities						
Forward exchange contracts	-	-	-	-	-	-

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is not exposed to any currency risk on account of its borrowings, other payables and receivables in foreign currency. All dealings are done in domestic markets by the company. The functional currency of the Company is Indian Rupee.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing financial instruments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income financial instruments. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Notes to consolidated financial statements for the year ended 31st March, 2019

	Nominal amount in INR	
	31-Mar-19	31-Mar-18
Fixed-rate instruments		
Financial assets	81,08,22,303	61,13,87,762
Financial liabilities	18,31,876	25,48,324
	80,89,90,427	**60,88,39,438**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-
Total	**80,89,90,427**	**60,88,39,438**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The company does not have any financial assets or financial liabilities bearing floating interest rates. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Note 33
Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at 31 March 2019 was as follows.

Particular	INR	
	As at 31 March 2019	As at 31 March 2018
Total Borrowings	28,70,29,973	16,03,66,417
Less : Cash and cash equivalent	94,42,38,977	68,54,82,116
Adjusted net debt	**(65,72,09,004)**	**(52,51,15,699)**
Total equity	80,19,63,644	68,39,78,145
Less : Hedging reserve	-	-
Adjusted equity	**80,19,63,644**	**68,39,78,145**
Adjusted net debt to adjusted equity ratio	(0.82)	(0.77)

In addition the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.

Notes to consolidated financial statements for the year ended 31st March, 2019

Note 34
Related party relationships, transactions and balances

A Nature of relationship

I Subsidiary Companies
- a Monarch Networth Finserve Private Limited
- b Monarch Networth Investment Advisors Private Limited
- c Monarch Networth Capital IFSC Pvt Ltd

II Associate Companies
- a Networth Financial Services Ltd

III Enterprises over which Directors and their relatives exercise significant influence
- a Monarch Networth Capital IFSC Private Limited
- b Premjayanti Properties
- c Monarch Infra Venture
- d Premjayanti Enterprises Private Limited
- e Monarch Infraparks Private Limited
- f Sur-Man Investment Limited
- g Simandhar Securities Private Limited
- h Samarpan Properties Private Limited
- i S.P. Jain – HUF (Sun Capital Advisory Services Private Limited)
- j Maxgainz Properties Private Limited
- k GSEC Monarch & Deccan Aviation Private Limited

IV Key Management Personnel and their relatives
- a Mr. Vaibhav Shah
- b Mrs. Manju Bafna
- c Mr. Suresh Pukhraj Jain
- d Mrs. Kanta Jain
- e Mrs. Kinnari Shah
- f Mr. Bankim Shah
- g Mr. Himanshu Shah
- h Mr. Suresh Bafna
- i Mrs. Bela Shah
- j Mr. Shailen Shah
- k Mr. Ashok Bafna

B. The following transactions were carried out during the year with the related parties in the ordinary course of business:

Nature of Transactions	Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	2018-19	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Revenue						
Brokerage Income	20,52,306	8,26,076	3,757	6,16,409	20,56,063	14,42,485
Total	**20,52,306**	**8,26,076**	**3,757**	**6,16,409**	**20,56,063**	**14,42,485**
Expenses						
Professional Fees Paid	-	-	1,75,000	-	1,75,000	-
Salaries	-	-	89,35,511	85,55,496	89,35,511	85,55,496
Lease Rent Paid	1,08,00,000	1,08,00,000	36,00,000	36,00,000	1,44,00,000	1,44,00,000
Total	**1,08,00,000**	**1,08,00,000**	**1,27,10,511**	**1,21,55,496**	**2,35,10,511**	**2,29,55,496**

Notes to consolidated financial statements for the year ended 31st March, 2019

B. The following transactions were carried out during the year with the related parties in the ordinary course of business:

Nature of Transactions	Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Receivables / Advances						
Premjayanti Enterprise Private Limited	16,98,820	-	-	6,37,284	16,98,820	6,37,284
GSEC Monarch and Deccan Aviation Private Limited	3,00,00,000	-	-	75,48,628	3,00,00,000	75,48,628
Total	**3,16,98,820**	**-**	**-**	**81,85,912**	**3,16,98,820**	**81,85,912**
Payables						
Monarch Infra Venture	-	-	1,88,21,862	1,30,752	1,88,21,862	1,30,752
Networth Financial Services Limited	1,93,47,615	1,93,49,385	-	-	1,93,47,615	1,93,49,385
Total	**1,93,47,615**	**1,93,49,385**	**1,88,21,862**	**1,30,752**	**3,81,69,477**	**1,94,80,137**

Directors of the Companies have given personal guarantees towards certain borrowings and cash credit of the Company

Gratuity and Compensated absences are included in managerial remuneration as disclosed above

All transactions with the related parties are priced on an arm's length prices and resulting outstanding balances are to be settled in cash on demand. None of the balances are secured.

Note 35
Contingent liabilities (to the extent not provided for)

Rs in Lacs

Contingent liabilities	31-Mar-19	31-Mar-18
Income Tax matters pending with various authorities	105.12	103.16
Service Tax matters pending with various authorities (Merged Entity -Monarch Project & Finmarkets Limited and Monarch Research Brokerge Pvt Ltd)	64.72	64.72
Client Litigation matter	80.38	117.64

Notes

(i) There are certain claims aggregating to Rs. 318 lacs (previous year Rs. 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.

(ii) 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, 2018

(iii) Pending resolution of the respective proceedings, it is not practicable for the company to estimate the timing of the cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

Notes to consolidated financial statements for the year ended 31st March, 2019

(iv) In respect of NBFC Business, Monarch Networth Finserve Private Limited has received order u/s 143(3) of the Income Tax Act, 1961 for A.Y 2011-12 and demand of Rs 1.33 Lakhs raised and also company has received u/s 271(1)(C) of Income Tax Act 1961 for same Assessment Year and demand of Rs 5.20 Lakhs raised. In Connection with the same company has filled an appeal against the same demand.

(v) In respect of NBFC Business, Monarch Networth Finserve Private Limited has received order u/s 143(3) of the Income Tax Act, 1961 for A.Y 2012-13 and demand of Rs 3.35 Lakhs raised. In Connection with the same company has filled an appeal against the same demand.

(vi) In respect of NBFC Business, Monarch Networth Finserve Private Limited has received order u/s 143(3) of the Income Tax Act, 1961 for A.Y 2014-15 and demand of Rs 4.13 Lakhs raised. In Connection with the same company has filled an appeal against the same demand.

Note 36

The company has taken suitable legal action for recovering deposits of Rs. 40 lacs (previous year Rs. 40 lacs) for premises at Bangalore and Rs. 300 lacs (previous year Rs. 300 lacs) for premises at Nariman Point- Mumbai . The management expects favorable order for the same, hence no provisions have been made thereof.

Note 37

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

Note 38
Commitments

	Rs in Lacs	
	31-Mar-19	**31-Mar-18**
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

Note 39
Dues to micro, small and medium enterprises

	31-Mar-19	31-Mar-18
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	Nil	Nil
Interest	Nil	Nil
	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
	-	-

Notes to consolidated financial statements for the year ended 31st March, 2019

The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Note 40
Earnings and expenditure in Foreign Currency during the year:

	31-Mar-19	31-Mar-18
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

Note 41
Dividends proposed to be distributed for the equity shareholders for the year ended 2017-18 is Nil.

Note 42

	31-Mar-19	31-Mar-18
Forward exchange contracts outstanding on the balance sheet date which is entered to hedge foreign exchange exposures of the Company.	Nil	Nil

Note 43

The Company has carried out Impairment test on its Fixed Assets as on the date of Balance Sheet and the management is of the opinion that there is no asset for which provision of impairment is required to be made as per applicable Indian Accounting Standard.

Note 44

Balance of all Sundry Debtors, Sundry Creditors, Investments & Loan and Advances are subject to confirmation and consequent reconciliation and adjustments, if any.

Note 45

In the opinion of the board, the current assets, loans and advances are approximately of the value state, if realized in ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

Note 46

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.

Notes to consolidated financial statements for the year ended 31st March, 2019

Note 47

Directors Remuneration	**31-Mar-19**	**31-Mar-18**
Director Remuneration	43,71,060	41,12,556

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.

Note 48

Auditors Remuneration	**31-Mar-19**	**31-Mar-18**
Towards Statutory & Tax Audit (Exclusive of Service Tax/GST)	6,99,000	6,60,920
	6,99,000	**6,60,920**

Note 49

The Company provides for the use by its associates 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 associates 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 50

Effective April 1, 2018, the company has applied Ind AS 115 “Revenue from Contracts with Customers”. The standard is applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to opening equity at the date of initial application. The adoption of Ind AS 115 did not have any significant impact on the overall results of the Group.

Note 51
Scheme of Amalgamation

The scheme of Amalgamation between Networth Insurance Broking Private Limited, Networth Softtech Limited, Networth Wealth Solutions Limited and Monarch Networth Comtrade Limited with Monarch Networth Capital Limited was approved by the Hon’ble National Company Law Tribunal, Mumbai Bench (NCLT), on May 09, 2019.

Pursuant to the scheme of Amalgamation (the “Scheme”) between Networth Insurance Broking Private Limited, Networth Softtech Limited, Networth Wealth Solutions Limited and Monarch Networth Comtrade Limited (all referred to as “Transferor Companies”) with Monarch Networth Capital Limited (refered to as Transferee Company), the assets and liabilities of the erstwhile transferor companies were transferred to and vested in the transferee company with effect from the 1st April, 2017 being the appointed date, as per accounting prescribed under the scheme which is in line with the accounting principles given under Ind AS 103 applicable to common control business combinations. Accordingly, opening balance sheet as at 1 April 2017, comparative financial information for the year ended 31 March 2018 and the accompanying standalone financial statements for the year ended 31 March 2019 have been adjusted to account for the aforesaid merger.

Notes to consolidated financial statements for the year ended 31st March, 2019

Disclosures in accordance with Indian Accounting Standered

a. Name and Nature of Business of Amalgamation Companies:

Name of the Company	Nature of Business	Present Shareholding of Transferee Company
Transferor Companies		
Networth Insurance Broking Pvt. Ltd. (NIBPL)	Insurance Broking	100%
Networth SoftTech Limited (NSL)	Business Software Development	20.91%
Networth Wealth Solutions Ltd (NWSL)	Distribution of third party Products	100%
Monarch Networth Comtrade Ltd (MNCTL)	Commodity Broking	99.96%
Transferee Companies		
Monarch Networth Capital Limited (MNCL)	Stock Broking, Depository Participant Services and Merchant Banking Services	----

b. The Scheme of amalgamation will benefit the Transferor Company and Transferee Company. The rational and reasons for proposed Scheme of Arrangement, inter alia, are summarized below:

(a) All the Companies in the proposed Scheme of Amalgamation are a part of the same group and the central management of the group believes that the restructuring of companies in form of amalgamation of all four transferor companies with MNCL would be beneficial for the companies and companies' stakeholders.

(b) MNCL is a diversified conglomerate with presence in various segments such as stock broking, financial services, merchant banking activities etc. MNCL is a widely held listed company its shares are actively traded on BSE Limited. MNCL has a proven track record of creating value for its shareholders through performance and incubation of growth businesses.

(c) All transferor companies regularly evaluate growth potential opportunities to create long-term value for its shareholders. The proposed restructuring shall enable transferor companies to gain exposure to fast growing sectors such as Stock Broking and financial services. With a well-capitalised base, and a large and diversified portfolio comprising of a steady cash flows generating businesses, transferor companies will be strongly positioned to incubate future growth opportunities and create long-term value for its shareholders.

(d) The amalgamation of the companies shall lead to consolidation of resources of the Transferor Companies with the Transferee Company, thereby providing greater efficiency in operations and administrative affairs of the Transferee Company and thus optimizing the valuation of the consolidated company and its shareholders.

(e) The amalgamation shall also add to the financial strength of the Transferee Company. The consolidation of Transferor Companies business with MNCL would at one hand strengthen the financials of the listed entity for the benefit of all its stakeholders and on the other hand help Transferee Company business in getting future contracts and raising funds for expansion due to the listed status.

(f) Apart from above, this scheme of amalgamation shall result in following benefits -

- Financial strength and flexibility for the Transferee Company, which would result in maximizing overall shareholder value.
- Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost.
- Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.

Notes to consolidated financial statements for the year ended 31st March, 2019

- Greater efficiency in cash management of the amalgamated entity and pooling of cash flow generated by the combined entities which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.

- Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.

- Effective Margin Management to the clients of the Transferor and the Transferee Company.

(g) It is believed that this Scheme will create enhanced value for shareholders and allow a focused growth strategy which would be in the best interests of Transferor Companies stakeholders.

c. The scheme has envisaged an exchange ratio as under:

- Nil Equity of the Transferee Company to be issued to shareholders of NIBPL because the Transferor Company 1 is wholly owned by the Transferee Company and the Transferee Company along with its nominee shareholders holds all the shares issued by the NIBPL

- 13 Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of held in NSL pursuant to this Scheme of Amalgamation.

- Nil Equity of the Transferee Company to be issued to shareholders of NWSL because the Transferor Company 3 is wholly owned by the Transferee Company and the Transferee Company along with its nominee shareholders holds all the shares issued by the NWSL.

- 28 Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares held in MNCTL pursuant to this Scheme of Amalgamation. Transferor Company is wholly owned by the Transferee Company and therefore there shall be no issue of shares by the Transferee Company in this regard.

d. Method of accounting used to reflect the amalgamation is Pooling of Interests Method

e. Accounting Treatment on Amalgamation

The accounting for Amalgamation has been done in accordance to the approved Scheme of Amalgamation. Accordingly, the Company has accounted for the Scheme in its book of Accounts as under:

1. All assets and liabilities appearing in the books of the transferor company have been recorded by the transferee company at their respective book values in opening balance sheet as at 01 April 2017.

2. The difference between net assets taken over & investment in the books of the Transferee Company have been debited first to Amalgamation Reserve (pre-existed at the time of amalgamation) and then to Retained Earnings.

3. As per the Scheme of Amalgamation the Company was required to issue 737,918 equity shares of face value of Rs 10/- per share along with Security Premium of Rs 69/- per share, aggregating Rs 582,95,522/- to the shareholders of the erstwhile Tranferor Companies NSL and MNCTL.

4. Pursuant to the sanction of the Scheme, with effect from the Appointed Date, the Transferor Companies are, pursuant to the provisions contained in Sections 230 to 232 of the Companies Act, 2013, and all other applicable provisions, if any, without any further act, deed, matter or thing, merged with the Transferee Company, as a going concern so as to become the estate, assets, rights, title, interest and authorities of the Transferee Company.

5. Pursuant to the sanction of the Scheme, the authorised share capital of the Transferor Companies are added to the authorised share capital of the Transferee Company without any further act, instrument or deed or procedure or payment of any stamp duty and registration fees.

Notes to consolidated financial statements for the year ended 31st March, 2019

6. Pursuant to the order of NCLT towards scheme of arrragement for the Merger, as stated above, necessary adjustments have been made by the company in the standalone results as stated above, towards provision for taxation and Corporate Social Responsibility, etc giving the post merger effect on aggregate basis.

7. Since the order of NCLT was received on last moment, the Statutory Audit of the transferee companies (Networth Insurance Broking Private Limited, Networth Softtech Limited, Networth Wealth Solutions Limited and Monarch Networth Comtrade Limited) under the Companies Act 2013 and under other applicable laws, were carried out by the earlier statutory auditors of the respective companies for the year ended March 31, 2019. The statutory auditor of Monarch Networth Capital Limited have verified only the merger implecation on the above results.

Notes 53
Segment reporting

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, the Group is organised into business units based on its products and services and has four reportable segments, as follows:

• Segment-1: Broking
• Segment-2: Wealth Maganement
• Segment-3: Non Banking Finance Business
• Segment-4: Merchant Banking Business

The Board evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The Board reviews revenue and gross profit as the performance indicator for all of the operating segments, and does not review the total assets and liabilities of an operating segment."

(b) Following are reportable segments

Segment-1 Broking
Segment-2 Wealth Management
Segment-3 Non Banking Finance Business
Segment-4 Merchant Banking Business

B. Information about reportable segments

(Currency: Indian Rupees in lacs)

Particulars	**Year Ended**	
	31.03.2019	**31.03.2018**
1. Segment Revenue		
a) Broking	5,961.64	7,781.53
b) Wealth Management	71.03	77.72
c) Non Banking financial business	583.98	832.86
d) Merchant Banking Income	220.29	87.80
e) Others (Un-allocated)	690.51	622.16
f) Insurance	94.81	38.47
Total	**7,622.26**	**9,440.54**
Less: Inter Segment Revenue	(62.15)	45.92
Net sales/Income From Operations	**7,684.41**	**9,394.62**

Notes to consolidated financial statements for the year ended 31st March, 2019

Particulars	Year Ended	
	31.03.2019	**31.03.2018**
2. Segment Results (Profit)(+)/ Loss(-) before tax and interest from Each segment)		
a) Broking	947.97	1,792.83
b) Wealth Management	-	-
c) Non Banking financial business	313.19	688.20
e) Others (Un-allocated)	38.06	14.20
Total	**1,299.22**	**2,495.23**
Less: (i)Interest	(477.53)	(684.84)
(ii) Other Un-allocable Expenditure net off		
(iii) Un-allocable income		
Add : Exceptional Item	102.31	(6.54)
Interest Income	570.28	348.89
Total Profit/(Loss) Before Tax	**1,494.28**	**2,152.74**
3. Capital Employed		
(Segment assets – Segment Liabilities)		
a) Broking	8,289.73	6,211.63
b) Wealth Management	-	-
c) Non Banking financial business	635.26	567.65
d) Others (Unallocated)	90.55	60.53
Total	**9,015.54**	**6,839.81**

C. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

Since all the operations of the group are based in India, the presentation of geographic information is not applicable

Note: 54
Previous year's figures have been regrouped or reclassifed wherever necessary

As per our Report of even date

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

Ashutosh Dwivedi
(Partner)
M.No. 410227

Place : Mumbai
Date : 30th May-2019

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Manju Bafna
(Whole-Time Director)
Din: 01459885

Ashok Bafna
(Chief Financial Officer)

Rupali Verma
(Company Secretary)
ICSI Member. No: A42923

Place : Mumbai
Date : 30th May-2019

Place : Mumbai
Date : 30th May-2019

MONARCH NETWORTH CAPITAL 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: cs@mnclgroup.com, Website: www.mnclgroup.com

FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholder(s),

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

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

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

Place: _______________

Date: ________________

____
Signature of the Member

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agents of the Company viz. **"Skyline Financial Services Private Limited, Unit – Monarch Networth Capital Limited , D- 153A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020 "**

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

Thanking You,

For Monarch Networth Capital Limited

Rupali Verma
Company Secretary& Compliance Officer

MONARCH NETWORTH CAPITAL LIMITED
CIN: L65920MH1993PLC075393
Regd Off: Office No.901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (East), Mumbai-400063.
Tel: 022-30641600, Fax: 022-26850257, Email: cs@mnclgroup.com,Website: www.mnclgroup.com

PROXY FORM
FORM NO. MGT-11
[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014] (Form No.MGT11)

26TH ANNUAL GENERAL MEETING ON MONDAY, 30TH SEPTEMBER, 2019

Name of the Member (s) : ____

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

Registered Address : ____

Email Id : ____

Folio No/Client Id/ DP ID : ____

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

1. Name : ____
   Address : ____
   Email ID : ____
   Signature : ____________________________________, or failing him

2. Name : ____
   Address : ____
   Email ID : ____
   Signature : ____________________________________, or failing him

3. Name : ____
   Address : ____
   Email ID : ____
   Signature : ______________________________,

as my/our proxy to attend and vote (on poll) for me/us on my /our behalf of at the 26th Annual General Meeting of the Company to be held on MONDAY, 30TH SEPTEMBER, 2019 at 11.30 am. 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:

Resolution Number	**Resolutions**	**Vote (Optional see note 2) (Please mention no. of Share)**		
		For	**Against**	**Abstain**
Ordinary Business:				
1	Ordinary Resolution for adoption of Audited Financial Statements (including Consolidated Audited Financial Statements) for the year ended 31st March, 2019 and the Reports of the Directors' and the Auditors.			
2	Ordinary Resolution for Re-Appointment of Mrs. Manju Bafna, Director retiring by rotation			
3	Ordinary Resolution for Re Appointment of Statutory Auditor			
Special Business:				
1	Special Resolution for re-appointment of Mr. Mayukh Pandya as Independent Director.			
2	Special Resolution for re-appointment of Mr. Chetan Bohra as Independent Director.			

Signed this _________ day of _______2019

Signature of Member: _________________________

Signature of Proxy holder(s): ______________________

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

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.

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'sname : ____________________

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) **Signature**

1. ____________________ ____________________

2. ____________________ ____________________

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 Networth 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 Securities	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 Address of guardian : ______________________________
d) Name : ______________________________
e) Address : ______________________________
f) Name of the Security Holder (s) : ______________________________
g) Signature : ______________________________
h) Witness with the name and address : ______________________________

Name of the Security Holder(s) **Signature**

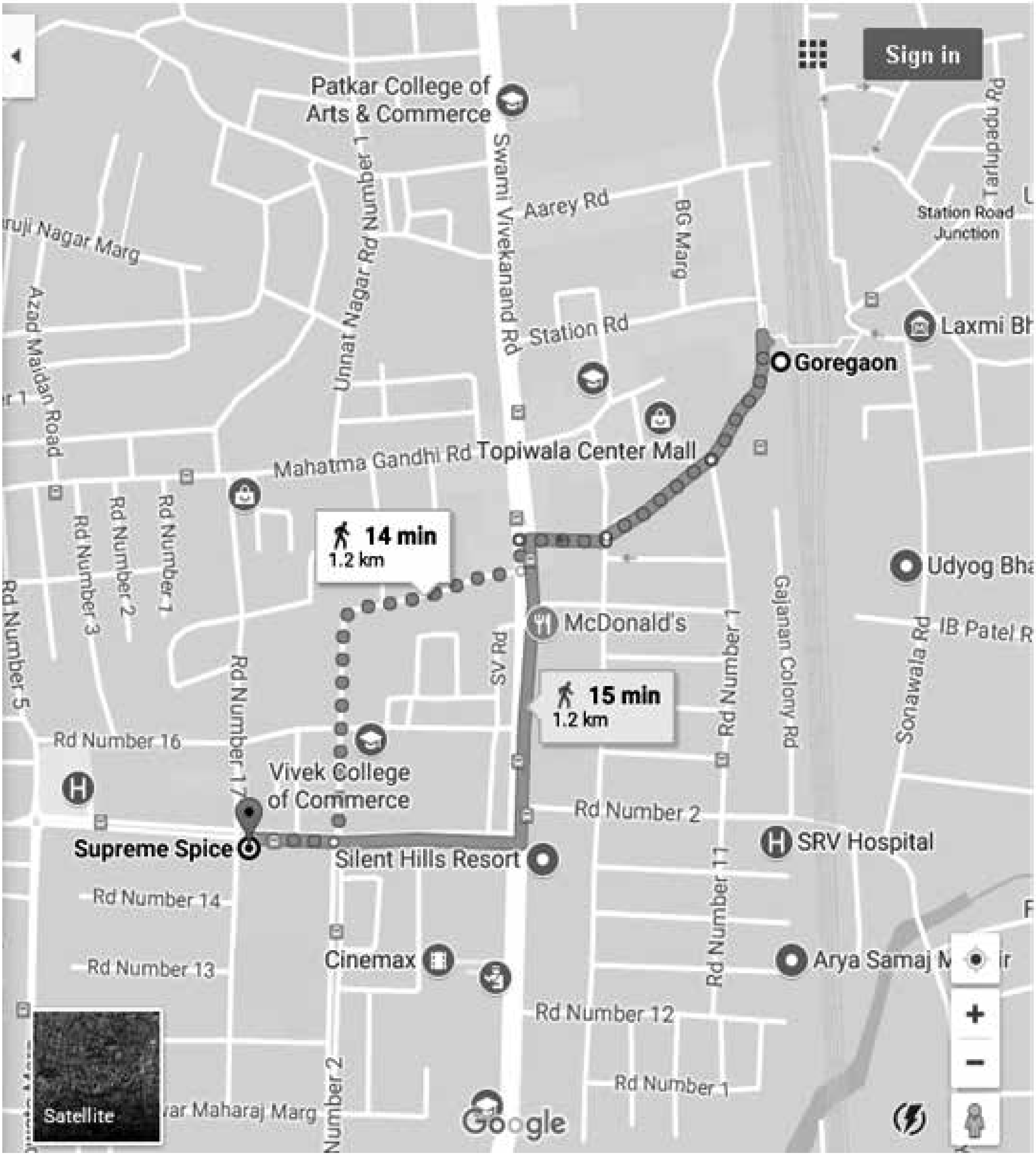
1. ______________________________ ____________________

2.______________________________ ____________________

Name of witness: ______________________________ Signature of witness: ________________

Address of witness: ______________________________ Date: ______________

ROUTE MAP FOR AGM VENUE:



MONARCH NETWORTH CAPITAL LIMITED

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

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

1800 22 0223 info@mnclgroup.com www.mnclgroup.com