



MONARCH
NETWORTH CAPITAL

28th August, 2023

To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai - 400 001 Scrip Code: 511551	To, National Stock Exchange of India Ltd Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Symbol: MONARCH
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Dear Sir,

Sub.: Intimation regarding the Annual General Meeting and record date

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Notice of 30th Annual General Meeting (AGM) of the members, along with the integrated Annual Report for the FY 2022-23 of the company, scheduled to be held on Friday, 22nd September, 2023 at 12:30 p.m. at Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasan Por Road, Kudasan, Gandhinagar -382421. The same is also available at the Company's website www.mnclgroup.com.

In compliance with the Companies Act, 2013 and ruled framed thereunder, Listing Regulations as amended from time to time and SEBI circulars, the Notice convening the AGM along with the Annual Report for the financial year 2022-23 will be sent to all those members of the Company whose email addresses are registered with the Depository Participants / Company/ Registrar and Transfer Agents.

Further, in accordance with provisions of Regulation 42 of the Listing Regulations, the Record Date will be Friday, 15th September, 2023 for the purpose of determining the members entitled to receive dividend on equity shares for the financial year ended 31st March 2023, as recommended by the Board of Directors of the Company at its Meeting held on 25th May, 2023. The dividend, as may be declared at the AGM, subject to deduction of tax, will be paid on or before 22nd October, 2023.

Kindly take the above on your record.

Thanking you,
Yours faithfully,

For Monarch Network Capital Limited

Rupali Verma
Company Secretary & Compliance Officer



Monarch Network Capital Limited (CIN: L65920GJ1993PLC120014)

Regd. Off.: Unit No. 803-804A, 8th Floor, X-Change Plaza, Block No. 53, Zone 5, Road- 5E, Gift City, Gandhinagar -382355, Gujarat

Corp. Off.: "Monarch House", Opp Prahladbhai Patel Garden, Near Ishwar Bhuvan, Commerce Six Roads, Navrangpura, Ahmedabad - 380009

T: +91-079-266 66 500 / +91-079-660 00 500 | **E:** reachus@mnclgroup.com | **W:** www.mnclgroup.com

STABILITY

Enabled by transformation.
Established for stakeholders.



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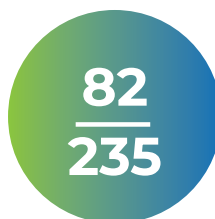
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KEY HIGHLIGHTS OF 2022-23 (CONSOLIDATED)

₹ 155.9 cr

Total income

₹ 57.9 cr

PBT

₹ 42.9 cr

PAT

STABILITY

Enabled by transformation.
Established for stakeholders.

Riding high on our focussed business diversification strategy and strengthening of our core capabilities, we have successfully transitioned from a conventional transaction-oriented business to a more predictable business with stable cash flows.

Over the past 2-4 years, enabled by transformation, we have focussed strongly on our diversification strategy while strengthening our internal team, investing in IT and building a strong culture of excellence. This has helped us sustain our growth trajectory during the year while withstanding the challenges from major global headwinds.

Our matured growth has been ably supported by a stronger and predictable business mix and new revenue streams along with our robust legacy business which is still driving major revenues for us. While we continue to operate in a structurally cyclical business, diversification into new businesses has to some extent ensured that the individual cycles do not coincide, bringing us closer to an annuity business. Additionally, we continue to make significant investments in technology to enhance the customer experience while driving operational efficiencies that has resulted in increased profitability and competitiveness. We also revamped our website to offer more insightful service to our customers and strengthened our social media presence and marketing initiatives for stronger brand positioning and enriched customer journey. To strengthen our people capabilities, we have undertaken various measures for augmenting our business growth while ensuring continued employee engagement.

As we move ahead, we are confident of capitalising on our profits through our customer and performance-driven approach across each business vertical for driving growth and delivering long-term value to all our stakeholders.



Company overview

PUSHING BOUNDARIES TO TRANSFORM INVESTING ASPIRATIONS

Monarch Network Capital Limited (MNCL), a listed company with a market capitalisation of over ₹ 1,100 cr (as on 18-Aug-2023), has emerged as one of India's leading and established financial service companies having over three decades of expertise in creating and delivering smart financial products and strategies.

We thrive on building wealth with a client-centric and performance-driven approach tailored to suit evolving investor needs. We consistently work with a 'Client First' approach across each of our business segments in line with our belief in creating lasting value for our customers. Our approach is decidedly long-term, whether it relates to corporates or investors; we are loath to engage in purely transactional relationships.

Research is the fulcrum of our business. While that may be normal for the broking businesses (retail and institutional), research permeates all our businesses, subliminally if not explicitly. We have even named our upcoming online trading app REसच, a play on the word research, and सच in Hindi (pronounced 'sach') meaning 'truth'.

Apart from pure stock broking services, we offer extensive research-backed assorted portfolio of financial services that include institutional equities, investment banking, wealth and third-party products distribution, funds management (currently only Alternative Investment Fund) and debt capital markets offerings.

We are a professionally managed organisation that invests in technology and infrastructure to build a strong culture of excellence to offer superior services to our investors.

Further, through our envisioned knowledge bank, we continue to deliver ongoing value to our customers and stakeholders while strengthening our brand recall and validating our unique identity in the domain. While we may perform quantitatively less compared with our peers, yet we do it with much more uniqueness, sincerity and passion.

We are present in 100+ cities across 18 states operating through 57 branches and 958 sub-brokers.

KEY THINGS TO KNOW ABOUT US

Ethos



Vision

To be recognised as a pioneer in providing financial services anchored with values of innovation, trust and diversity.



Mission

To provide quality investment solutions to our clients and enable build their financial security. Our goal is to strive to deliver a superior investment performance to meet the needs of our stakeholders.

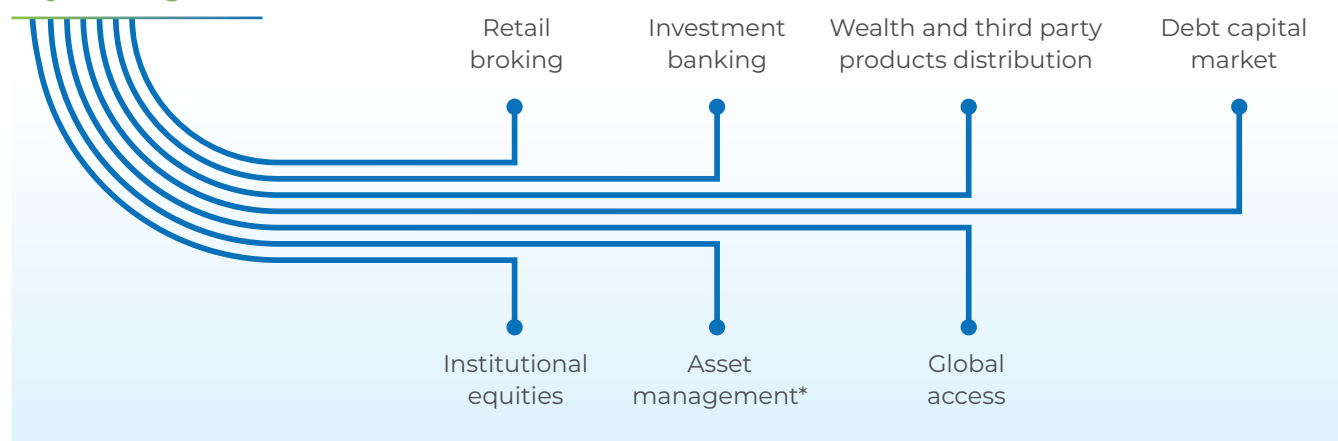




Experience

Starting out as a traditional retail broking company, we have now diversified our business across other areas of financial services and become a predictable business with stable cash flows.

Key offerings



*Includes AIF, PMS & other approved products, but currently only AIF

Listing information

The Company is listed on NSE and BSE with a market capitalisation of ₹ 652 Cr as on March 31, 2023.

KEY STRENGTHS



Delivering customised and personalised service through unique and smarter strategies



Leveraging technology to help fulfil clients' financial goals and often exceed expectations



Incorporating creative techniques and best research methodologies to offer our clients cost-effective, profit-maximising and risk-minimising solutions



Powering innovation and driving excellence in the highly competitive and volatile environment by expanding organisational size and operations



Transform the industry ecosystem through our financial proficiency and diversified client base encompassing Retail Clients, Institutional Clients, Corporate Clients and HNIs



Scaling new heights in customer engagement and satisfaction through consistent innovation of our products, services, technological offerings, and customer engagement models



KEY NUMBERS THAT DEFINE US

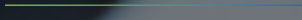
30 years+

Experience



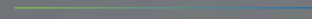
57

Branches (only revenue-generating)



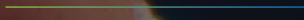
900+

Business associates



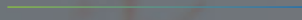
2,80,000+

Retail Customers



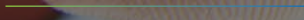
366

Employees

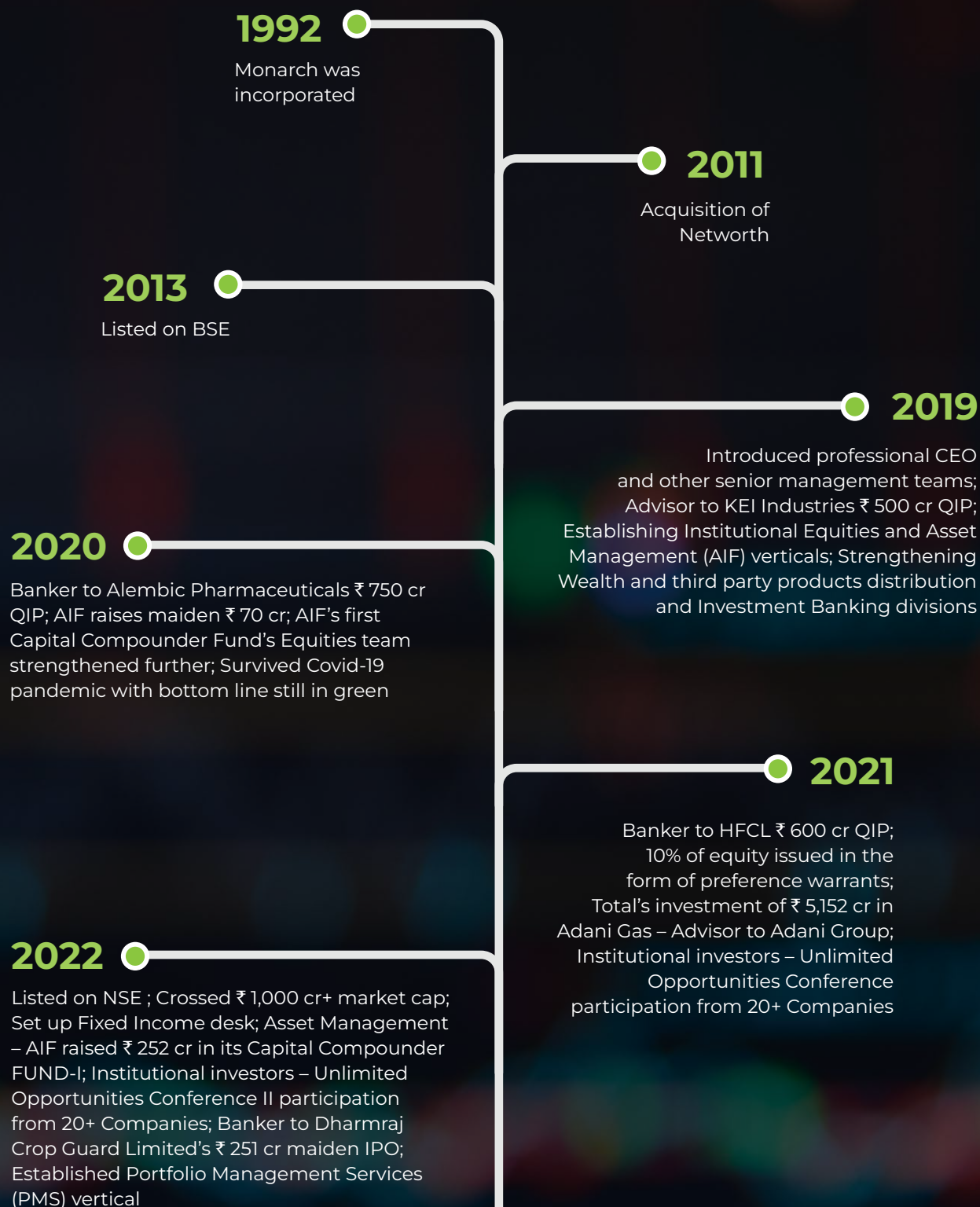


A1 rating by Infomerics for a commercial paper

Credit rating



KEY MILESTONES



Chairman's message

BUILDING A STEADY AND STABLE GROWTH TRAJECTORY

We remain optimistic about the growth momentum of our business verticals while continuing our commitment towards strengthening our core capabilities – people, technology and products.

Manju Bafna

Chairman & Whole time Director – MNCL

Dear Stakeholders,

I am delighted to share with you MNCL's Annual Report for FY23. During the year, we have focussed on strengthening our key pillars of the business, viz., technology, people, and extensive research-backed product portfolio to generate greater brand visibility and create lasting value for all our stakeholders.

GENERAL ECONOMY

FY23 was a year of mixed outcomes. The year began with global situations like the ongoing Russia-Ukraine war exerting supply chain challenges worldwide and rising inflationary pressure resulting in the slowing down of the global economy. However, the situation began to slowly improve as inflation

moderated mainly due to the normalisation of activities on the easing of supply-side bottlenecks.

The trade front also generated varied outcomes across sectors. The Indian Rupee depreciated by 7.8% (one of the highest figures for a year) Vs the USD in FY23 Vs 3.0% in FY22 mainly due to foreign selling of Indian stocks. On a year-on-year (y-o-y) basis, non-food bank credit registered a growth of 15.4% in March 2023 compared to 9.7% a year ago. Real credit growth would have been higher if inflation had lowered during this period. Growth was seen to be uneven with credit to industry slowing to 5.7% against 7.5% witnessed at the end of FY22. However, retail credit rose significantly to 20.6% in FY23 Vs. 12.6% in FY22 backed by robust consumption though there was a lag in investments.

Despite such challenges, the Indian economy displayed strong momentum and stabilised with a GDP growth of 7% in FY23. The main propellant for the economic rebound has been government capex and domestic consumption, though the private sector has stayed on the sidelines due to the Covid-19 impact and the well-recognised twin balance sheet problem.

BUSINESS LANDSCAPE

The market activity took a meaningful breather in FY23 compared to the intense FY22. The benchmark Nifty 50 went

from 17,670 on April 1, 2022 to 17,360 on March 31, 2023, declining by a modest 1.8% on a point-to-point basis despite treading a tumultuous journey. BSE cash and derivatives (ex-commodity) turnover slipped by 23% and 44% respectively. For the NSE, cash turnover declined by 20% but derivatives were up by 17%. Foreign portfolio investment (FPIs) net sold stocks worth ₹ 1,98,639 cr, whereas domestic institutional investment (DIIs) bought net ₹ 2,55,236 cr (cash market only) lending stability to the markets even as FPIs pulled out of emerging markets in the wake of geopolitical conflicts.

The investment banking sector was distinctly muted in FY23 compared to FY22. The IPO market raised approximately ₹ 15,600 cr in FY23 Vs. ₹ 1,46,145 cr in FY22. Publicly disclosed M&A deals went from ₹ 57,904 cr in FY22 to ₹ 22,440 cr in FY23 while disclosed private equity deals stood at ₹ 70,150 cr in FY23 Vs ₹ 72,540 cr in FY22.

The Alternative Investment Fund (AIF) industry continued its upward growth trajectory in FY23. Within Category II, the largest of the three, actual investments made went up from ₹ 1,99,452 cr in FY22 to ₹ 2,42,915 cr in FY23. Under Category III where MNCL is present, figures stood at ₹ 60,809 cr and ₹ 71,055 cr respectively. Offering better, cost-effective and focussed solutions for high-net worth investors, the AIF sector has been growing in significance.

AUMs of mutual funds (MF) and portfolio management services (PMS) also grew in FY23. MF AUM increased from ₹ 37,56,683 cr in FY22 to ₹ 43,20,468 cr in FY23, whereas PMS AUM grew from ₹ 24,19,270 cr in FY22 to ₹ 27,79,604 cr in FY23 though at a slower pace compared to AIF.

OUR PERFORMANCE REVIEW

Backed by our core capabilities and diversification strategy, we continued to generate stable cashflows during the year. Your Company's consolidated total revenue from operations stood at ₹ 155.9 cr in FY23 over ₹ 144.5 cr reported in FY22.

We reported an exceptional growth of 175% in our investment banking segment across all business parameters of revenue, profitability and number of deals on a y-o-y basis at ₹ 22.7 cr Vs ₹ 8.3 cr reported in FY22. The year also saw the investment banking division's first ever mainboard IPO launch of Dharmaj Crop Guard Limited witnessing a whopping total subscription of over 37 times. We also acted as sole advisors for our first M&A transaction when Borosil Limited acquired Goel Scientific Glass Works Limited.

Our wealth and third party products distribution saw robust growth of 140%.

₹ 2,55,236 cr

Net stock bought by Domestic Institutional investment in FY23

₹ 15,600 cr

Amount raised by IPO market in FY23

₹ 155.9 cr

Total revenues from operations

175%

Growth in investment banking business

₹ 46 cr

Interest income in FY23

During FY23, the market mood, in general, was sombre which led to a decline in retail volumes. Briefly, the markets also saw a meaningful reduction in their active client base. After a strong FY22 for our broking business, FY23 saw our revenues under the Fees & Commission Income head reducing to ₹ 85 cr from ₹ 92.8 cr in FY22.

On the other hand, our cost increased primarily on account of employee benefits that led to profits after tax (after exceptional items but before other comprehensive income) declining to ₹ 43 cr over ₹ 54 cr generated during the previous year.

We also faced two major challenges related to talent and compliance. The market for talent continued to be tight during the year as financial services companies (including commercial banks) performed very well attracting a major chunk of the talent. To address this issue, we amped up our talent acquisition function within HR and efficiently catered to more open positions.

REINFORCING CAPABILITIES

By diversifying and setting up new business lines, we have stabilised our revenue streams and reduced risks while tapping new business opportunities. We continued to invest in the latest technology, strengthen our team capabilities and increase our social media platform to enable more stable and robust growth for the Company.

We have also closed our first AIF – MNCL Capital Compounder Fund – in May 2023, ahead of schedule and returned money to investors, after delivering a CAGR return of 23.5% since its inception in October 2020 helping reinforce our investor trust. We are in the process of launching our third Category III AIF soon aspiring to raise ₹ 500 cr - ₹ 1,000 cr for that fund.

The pivot of our organisation is research, and continued improvements in this front during the year have given us and our stakeholders significantly greater market visibility. Our fundamental and technical research, the key USP (for both retail and institutional clientele) has played a vital role in garnering clients' trust and attention while generating superior returns (in many cases alpha) as the market normalised.

Since its initiation in 2019, our research calls have generated 35% XIRR returns outperforming the broader markets handsomely.

To improve our operational efficiency, we have appointed the well-known consulting brand – Deloitte, to study the processes adopted across businesses, identify gaps, and provide suggestions for effective functioning.

For enabling digital transformation, we have made significant investments in technology, revolutionising our digital platforms and transforming the way we engage with our clients. We are about to launch our mobile trading app 'REऱऱ' directed to offer a seamless trading experience to a larger customer base.

Our efforts to build strong customer relationships is an ongoing process. Also, we continued to introduce innovative ways to strengthen our brand recall during the year while forging long-lasting customer connections. We continue to engage our employees with our robust HR initiatives for enhancing their overall well-being while improving workplace productivity and retention.

OUTLOOK

Looking ahead, we remain optimistic about the growth momentum of our business verticals while continuing our commitment towards strengthening our core capabilities – people, technology and products. Staying at the forefront of technological advancements and innovation,

we will also leverage our research development front to further strengthen our brand recall and enhance customer experience. We are working on a very strong pipeline of investment banking deals which will augment our business to new heights.

We have also closed our first AIF – MNCL Capital Compounder Fund – in May 2023, ahead of schedule and returned money to investors, after delivering a CAGR return of 23.5% since its inception in October 2020 helping reinforce our investor trust. We are in the process of launching our third Category III AIF soon aspiring to raise ₹ 500 cr - ₹ 1,000 cr for that fund.

In conclusion, I would like to express my gratitude towards all our stakeholders for their unwavering trust in our capabilities.

With your continued support, we look forward to creating more milestones while achieving stable growth and long-term value for all our stakeholders.

With Warm Regards,

Manju Bafna

Chairman & Whole time Director
– MNCL

SINCE ITS INITIATION IN 2019, OUR RESEARCH CALLS HAVE GENERATED 35% XIRR RETURNS OUTPERFORMING THE BROADER MARKETS HANDSOMELY.



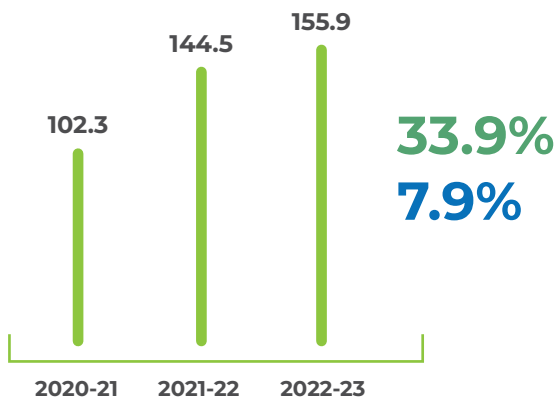
FY23 in numbers

OUR STRONG SCORECARD

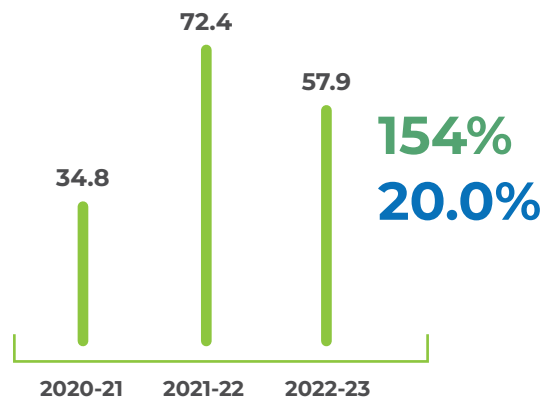
Our stable and steady growth has been on the back of sound financials supported by a slew of new predictable businesses.

PROFIT AND LOSS INDICATORS (CONSOLIDATED)

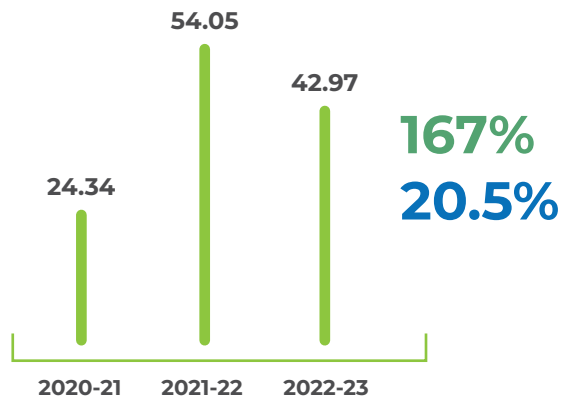
Revenue from operations (₹ cr)



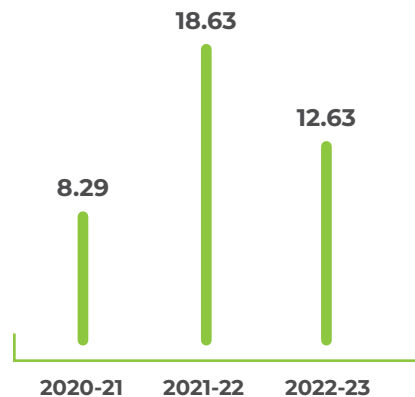
PBT (₹ cr)



PAT (₹ cr)



EPS (Basic) (₹)

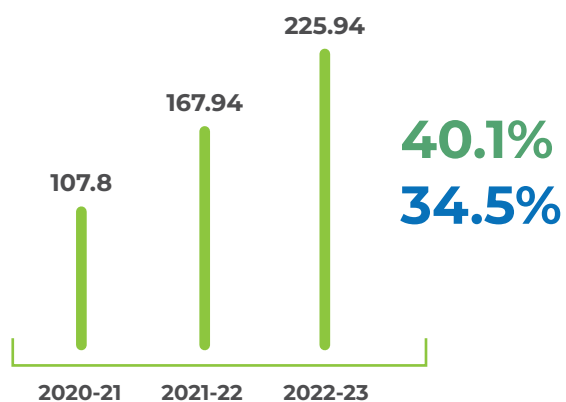


● 3-year CAGR ● Y-o-Y

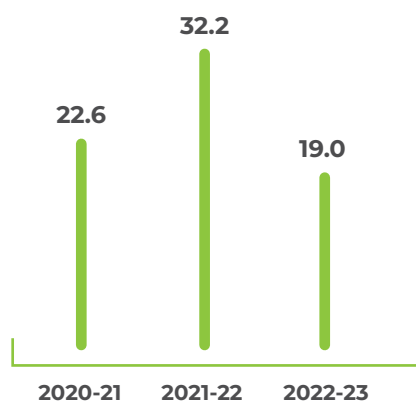


BALANCE SHEET INDICATORS (CONSOLIDATED)

Net worth (₹ cr)



Return on equity (Based on end-point net worth) (%)



Business segment review

SCALING GROWTH WITH A DIVERSIFIED PORTFOLIO

Our wide array of research-backed and technology-enabled financial products are curated to meet the evolving investment needs of our customers and deliver lasting value.

RETAIL BROKING

We have rapidly expanded our retail operations since inception and created a huge presence across the country through our customer-focussed value-driven approach. Our retail offerings include equities & derivatives trading, commodity trading, currency futures and e-IPO among others.

Our retail fundamental research division, though small, takes a dipstick approach to identify long-term investment themes/ideas to help our clients create sustainable wealth while also building long-term bonds with our valued clients.

Apart from long-term investment ideas, a separate team of Technical & Derivative Analysts serve the retail investors. They offer high frequency short-to-mid-term trading ideas in the field of equity, derivatives, commodities and currency segments.

Key features

- 200+ strong team of relationship managers constantly focussed on “client-first” approach for client wealth maximisation via in-depth research-backed decision-making
- Ease of transacting (e-KYC), top-notch trading platforms and client-tailored product offerings
- Strong research-based advisory service for investment and trading

- Superior investing experience via DIY platforms across web, app and exe
- Assorted products across assets

Key FY23 highlights

- We focussed on strengthening our retail broking model with a key focus on adding sales force through our own branches or sub-brokers and franchisees
- We added multiple layers across the value chain to cater to our existing clientele and new client acquisitions

- The research division released detailed research reports underlining long-term investment rationale on Artemis Medicare Services, Ramkrishna Forgings and Sansera Engineering during FY23, generating 103%, 125% and 7% return respectively till May 31, 2023, from the date of initiating coverage

Key numbers

2,80,000+

Total clients

100+

Cities

900+

Business Partners

INSTITUTIONAL EQUITIES

Our institutional equities business caters to the equities' investment needs of institutional investors that include mutual funds, foreign portfolio investors, insurance companies and less-focused investors like private equity, portfolio management services, family offices and alternative investment funds. Through our differentiated research and with a single-minded focus, we deliver distinct ongoing value to our diverse clientele.

PREVIOUS POWER IDEAS & PERFORMANCE

Q1FY24 power ideas	CMP	Initiation (31 Mar 2023)	Chg
WONDERLA HOLIDAYS	₹ 570	₹ 428	33.1%
EQUITAS SFB	₹ 90	₹ 67	34.3%
RATNAMANI METALS	₹ 2,281	₹ 1,975	15.4%
LA OPALA	₹ 434	₹ 340	27.7%
SAFARI IND.	₹ 2,984	₹ 2,049	45.6%
FIEM INDUSTRIES	₹ 1,783	₹ 1,564	14.0%
Power Ideas total return			28.3%
NIFTY 50	19189.05	17,359.75	10.5%
NIFTY 500	16430.00	14,557.85	12.8%

Q2FY23 power ideas	CMP	Initiation (1 Jul 2022)	Chg
CREDITACCESS			
GRAMEEN	₹ 1,215.9	₹ 1,016	23.2%
LA OPALA	₹ 434	₹ 272	59.5%
SAFARI IND	₹ 2,984	₹ 920	224.3%
FIEM IND	₹ 1,783	₹ 1,345	32.5%
IFGL REFRATORIES	₹ 348	₹ 270	28.8%
CHALET HOTELS	₹ 428.6	₹ 328	30.6%
Power Ideas total return			66.5%
NIFTY 50	19189.05	15,752.05	21.8%
NIFTY 500	16430.00	13,394.45	22.6%

Q4FY23 power ideas	CMP	Initiation (30 Dec 2022)	Chg
HOME FIRST FINANCE	₹ 788	₹ 730	7.9%
TIMKEN INDIA	₹ 3,411	₹ 3,105	9.8%
ETHOS	₹ 1,445	₹ 1,019	41.8%
V I P IND	₹ 614.5	₹ 670	-8.2%
MANAPPURAM FINANCE	₹ 132.25	₹ 116	14.0%
Power Ideas total return			13.0%
NIFTY 50	19189.05	18,105.30	5.9%
NIFTY 500	16430.00	15,448.85	6.3%

Q1FY23 power ideas	CMP	Initiation (1 Apr 2022)	Chg
SUNDARAM FINANCE	₹ 2,610	₹ 1,948	33.9%
CAN FIN HOMES	₹ 779	₹ 656	18.7%
C.E. INFO SYSTEMS	₹ 1,202.1	₹ 1,522	-21.0%
EXPLEO SOLUTIONS	₹ 1,590	₹ 1,670	-4.7%
HINDWARE HOME	₹ 543.15	₹ 366	48.4%
Power Ideas total return			15.1%
NIFTY 50	19189.05	17,670.45	8.5%
NIFTY 500	16430.00	15,087.30	8.9%

Q3FY23 power ideas	CMP	Initiation (30 Sep 2022)	Chg
SUNDARAM FINANCE	₹ 2,610	₹ 2,263	15.3%
LA OPALA	₹ 434	₹ 338	28.5%
SAFARI IND	₹ 2984	₹ 1,659	79.8%
KIRLOSKAR FERROUS	₹ 471.45	₹ 267	76.5%
FIEM IND	₹ 1,783	₹ 1,449	23.1%
Power Ideas total return			44.7%
NIFTY 50	19189.05	17,094.35	12.5%
NIFTY 500	16430.00	14,829.35	10.8%

Q4FY22 power ideas	CMP	Initiation (3 Jan 2022)	Chg
IFGL REFRATORIES	₹ 348	₹ 312	11.5%
FIEM IND	₹ 1,783	₹ 1,161	53.5%
GATI	₹ 123.05	₹ 191	-35.5%
SAKSOFT	₹ 308.4	₹ 99	211.5%
CRISIL	₹ 3,900	₹ 2,841	37.3%
Power Ideas total return			55.7%
NIFTY 50	19189.05	17,625.70	8.8%
NIFTY 500	16430.00	14,996.20	9.6%

Portfolio	XIRR Return %*
Power Ideas	43.46%
Nifty	13.83%
Nifty Midcap	21.62%
NSE 500	14.19%

* XIRR computed through Microsoft Excel function
Assumption of equal weightage to all stocks
Assumed no drawdown ever

Reports

- Initiating coverage
- Updates
- Thematic reports
- Stock ideas

Research, sales and dealing

- Being strictly sector-agnostic, our expertise encompasses evaluating undervalued and under-researched stocks with

high growth potential across small and mid cap segments

- Research-backed meetings and interactions with unlisted corporates via field surveys and channel checks
- Different research reports like stock coverage, sector coverage, etc.
- Efficient dealing execution capabilities

Corporate Access

- Organised thematic, cross-sector and company specific institutional investor conferences and dedicated roadshows
- Conducting regular earnings and event-based calls with management/industry experts
- Arrange plant visits for investors

Key FY23 highlights

- Ideas focussed research conducted via a bottom-up approach
- Introduced 'Quick Bite', a one-pager to provide stock synopsis for generating client interest. The stock may or may not be considered for subsequent full-fledged coverage
- Continuation of Power Ideas and their performance

Power ideas performance summary*

Power Ideas XIRR	8.55%
Nifty 50 XIRR	1.61%
Nifty 500 XIRR	-0.73%

- Multiple full-scale conferences, mini-conferences, dedicated company roadshows and plant visits resulting in participation of various companies and a huge turnout of investor clients

- We undertook over 40+ Block/Bulk Deals totalling ₹ 55,000 cr+, backed by our team's strong domain knowledge, execution capabilities and market expertise

**XIRR Return is from December 31, 2021 to March 31, 2023 (from start of power ideas report to current date)*

Key numbers

90+

No. of reports

4 OUT OF A TOTAL OF 5 SETS

Number of power ideas beating benchmark as on March 31, 2023

3

Conferences conducted

20+

Roadshows/plant visits conducted

INVESTMENT BANKING

We have achieved success in our investment banking division through years of strategic relationship building with companies. This division primarily focusses on identifying businesses that generate returns and cash flow while demonstrating visibility for building shareholders' wealth.

Key features

- Positioning for value maximisation
- Thoughtfully designed and efficient processes
- Deep product knowledge and execution competencies
- Strong relationships with PE/ domestic institutional investors/ family offices
- Robust association with blue chip clients across India and overseas



MONARCH
NETWORK CAPITAL

TODAY, CHEERS IS FOR A DIFFERENT REASON

Borosil Limited through its subsidiary Klass Pack Limited has acquired majority stake in Goel Scientific Glass Works Limited.

BOROSIL®



MONARCH NETWORK CAPITAL ACTED AS AN EXCLUSIVE INVESTMENT BANKER & SOLE ADVISOR TO THE TRANSACTION

www.mnclgroup.com

Key FY23 highlights

- FY23 was a landmark year for our investment banking division wherein we grew exponentially across all business parameters encompassing revenue, profitability and number of deals
- Our investment banking division recorded the highest ever revenue in FY23 at ₹ 22.7 cr compared to ₹ 8.3 cr in FY22, indicating a robust growth of 175% on a Y-O-Y basis
- First ever mainboard IPO by MNCL conducted during the year. We successfully closed ₹ 251.1 cr IPO of Dharmaj Crop Guard Limited which witnessed a whopping total subscription of over 37 times
- We conducted our first M&A transaction when Borosil Limited acquired Goel Scientific Glass Works Limited. We acted as sole advisor for both parties and successfully closed the deal

FY23 milestones



Key numbers

₹ 22.7 cr

COMPARED TO ₹ 8.3 CR IN FY22

Division revenue

WEALTH AND THIRD PARTY PRODUCTS DISTRIBUTION

Our Wealth and Third Party Products Distribution division offers diverse financial products under one roof to suit various investment needs. It includes financial planning, mutual funds, insurance solutions, unlisted equities, debt capital market and large ticket size investments in AIF/PMS solutions among others.

Key features

- Tailormade advice to create a better future for our clients
- Wide array of financial products
- Robust platform to monitor Wealth and third party products distribution

Key FY23 highlights

- Leveraging group corporate relationships and establishing a robust annuity book through debt mutual funds, bonds and commercial insurance
- Mutual Fund AUM grew by 20% at ₹ 244 cr with net addition of ₹ 31.33 cr during the year
- Introduced pre-IPO & unlisted shares desk to increase the product offering with significant growth expected in FY24
- Budget 2023 introduced new Tax proposals for debt mutual funds, market linked debentures (MLDs) and high value life insurance premium, which could reduce the appeal for investment plans resulting in lower sales in FY24

ASSET MANAGEMENT (AIF)

We endeavour to provide a high value-added investment service fully aligned to our investor's long-term goals and interests fetching superior returns through a competitive fee structure and skin in the game of sponsors

Key features

- Focus on going long on listed companies with a solid track record
- Superior business with strong potential
- Clean management
- Clear growth visibility over medium term and comfortable valuations
- Special emphasis on incremental capital employed (I-ROCE) Vs. their past ROCE
- Robust focus on free cash flows and free cash flow yields

Key FY23 highlights

- The AIF business launched second long only equity scheme named MNCL Capital Compounder Fund – I with an AUM of ₹ 252 cr in August 2022



- Raised funds (whole AUM) backed by our own relationships without third party dependence on intermediaries & distributors
- Announced the successful pre closure of our maiden CAT-3 long only equity scheme (MNCL Capital Compounder Fund - MNCL CCF) in May 2023 offering investors return of capital at an attractive pre-tax CAGR
- Expanded research team and explored new tools & technology for enhanced productivity

Notably, we have raised both our funds to date (MNCL CCF in Oct 2020 and MNCL CCF – I in August 2022) totally through our own relationships, without the aid of a distributor, an unparalleled feat in this industry.

Fund performance (%)

Returns	31-Mar-23
MNCL CCF	4.2
NIFTY 500 TRI	(1.2)
NIFTY 50 TRI	0.6
AUM (₹ cr)	87.2

MNCL CCF : 01-04-2022 to 31-03-2023

MNCL CCF-I : 23-08-2022 to 31-03-2023

Returns	31-Mar-23
MNCL CCF - I	2.2
NIFTY 500 TRI	(3.3)
NIFTY 50 TRI	(1.0)
AUM (₹ cr)	258.3

DEBT CAPITAL MARKET

Fixed income is an important asset-class that offers a certain degree of predictability about returns and stability to the portfolio in turbulent times. However, unlike equity markets, the Indian fixed income markets are still evolving to gain wider acceptance from the retail investing community beyond Bank/PO deposits. Transparency and the lack of awareness are the biggest constraints in the development of debt markets as major transactions in these markets are still negotiated between the counter parties bilaterally.

We, at Monarch, strive to make debt markets more accessible

to the investing community by ensuring transparency in all our transactions. We offer complete services from – assisting the corporates/institutions in the issuance of debt instruments to the distribution of these instruments to the suitable investors, based on their risk reward expectations.

Through our deep-rooted knowledge of underlying market dynamics, extensive research skills and dynamic distribution and structuring capabilities, we offer an assorted array of services to help our clients meet and their financial and strategic objectives with discretion, excellence and trust.

Key features

- One-Stop Solution
- Proficient and experienced team
- Product expertise
- Origination and deal commitment

Key FY23 highlights

- Placement of ₹ 75 cr CP (Commercial Paper) for our clients as an arranger
- Reported ₹ 650+ cr turnover within 7 months of operations
- Empanelled with 50+ clients including Banks, Insurance and MFs as counterparty

GLOBAL ACCESS

Our Global Access division offers an advanced platform to invest across US markets by allowing investors to diversify their portfolio while leveraging a highly evolved US market through investment across global brands & businesses offering superior growth opportunities.

Key features

- Portfolio diversification
- Enhanced performance
- New growth opportunities
- Invest in globally renowned and innovative companies
- Build a nest egg



Business diversification

STEERING THE WHEELS OF DIVERSIFICATION FOR ROBUST GROWTH AND STABILITY

Our strategic focus on diversification across different business verticals has created a stronger and more stable business with a profitable revenue mix. In line with our diversification strategy, we have been strengthening our human resources, upgrading technology and building a strong culture of excellence towards achieving a robust growth momentum during the year.

DIVERSIFICATION STRATEGY

Traditionally, we have been into retail broking. As part of our diversification strategy, we ventured into other businesses like institutional equities, fund management (alternative investment fund), investment banking, fixed income, etc. in FY20. We added new revenue streams in addition to our established retail broking business for accelerating growth and scaling our business to new heights.

Diversification has enabled a stronger and more mature growth trajectory for MNCL backed by a strong business mix, robust team, additional revenue streams, legacy retail broking business, continued investments in cutting-edge technology, rebuilding websites and increasing

social media presence across platforms like Twitter and LinkedIn.

These drivers have helped us navigate our business expansion and increase customer outreach while addressing global headwinds towards building a more stable business, long-term relationships and creating lasting value for our stakeholders.



**EMERGING
STRONGER AND
MORE STABLE**

We are a capital market-oriented business operating in a high-risk environment. Diversification has led us to adopt a comparatively de-risked business model. Setting up new businesses has helped reduce our dependency on a single sub-segment. The legacy retail broking business is highly market-dependent but granular, institutional equities comprise a larger ticket size, investment banking is episodic and funds management is akin to an annuity business. Hence, we can de-risk as the cycles of these businesses usually do not coincide.

Diversification has hugely transformed our business landscape. We have moved from being a transaction-oriented business to a predictable business generating stable cash flows.

We continue to generate robust business from retail broking and it continues to drive our revenues. We have set up new business lines, viz. institutional equities, funds management, investment banking, WTPD (wealth and third-party products distribution) and fixed income at different points in time, starting from FY20. Adding new business lines has served the dual purpose of stabilising the revenue stream and looking

for new opportunities. These new businesses have picked up momentum from FY22 and have started yielding results, helping us to capitalise on our profits and have a stable growth trajectory.

WE HAVE SET UP NEW BUSINESS LINES, VIZ. INSTITUTIONAL EQUITIES, FUNDS MANAGEMENT, INVESTMENT BANKING, WTPD (WEALTH AND THIRD-PARTY PRODUCTS DISTRIBUTION) AND FIXED INCOME AT DIFFERENT POINTS IN TIME, STARTING FROM FY20.



Our people - Employees

ENSURING STRONG PEOPLE-CENTRICITY

As a people-centric organisation, we constantly strive to deliver value and enhance engagement with our employees and customers through strategic initiatives.

HR PHILOSOPHY

At MNCL, we believe in creating a fun-filled experience for its employees along with creating the value of “One for ALL & ALL for one”.

NURTURING OUR TALENT POOL

We strive for a harmonious and open work culture fostering equality and diversity for empowering an engaged workforce. Our robust employee engagement initiatives focus on the overall well-being of our employees while improving workplace productivity towards achieving our broader goals and attaining sustained growth.

STRENGTHENING CAPABILITIES

We continued strengthening our teams across our businesses by appointing professionals at senior, mid-level and associate levels. Our recruitment strategy focussed on need- and function-based hiring to strategically meet the growing demand from our new business segments.

EMPLOYEE-CENTRIC MEASURES

During the year, we inculcated various HR initiatives aimed at enabling and creating an environment for employees to connect with each other openly and freely across all levels and improving their overall well-being and engagement.

KEY FY23 HR INITIATIVES ESOP scheme

We launched our ESOP scheme in August 2022 as a way to reward our employees for their loyalty and performance. The scheme has garnered a great response covering around 43% of our employee base by the end of FY23.

158

Total number of employees enrolled in the ESOP scheme

43%

Proportion of the employee base covered by the ESOP scheme by end of FY23

HR connect calls with retail broking team

We initiated the first ever HR Connect call with the retail broking team to discuss the positives and offer solutions to any ongoing concerns faced by them. These issues were then highlighted to the management for further course of action.

Improved onboarding process

We have worked to improve our onboarding process during the year towards creating a seamless onboarding experience from day 1. The measures included weekly connect calls from the date of acceptance, introducing the welcome kit, rolling out welcome mailers, introduction to the respective line managers and Floor Walk among others.

Training and development

We conducted a training programme for our Leadership team to enhance their leadership skills and capabilities. Additionally, we undertook training sessions for all employees that focussed on effective communication, enhancing professional relationships, goal-setting and winner mindset, building personal SWOT and unlocking the power of the mind.

Corporate communication

To keep our employees abreast of the developments in the organisation, we have introduced Monarch Bulletin. We also formed a WhatsApp group, wherein people are updated on the latest and upcoming news pertaining to our Company.

Health measures

At MNCL, we believe in 'health is priority'. Apart from having health focussed sessions, we have also covered all our employees under insurance. The scheme is also extended to their families (spouse and kids).

Employee engagement

We held various activities as part of our employee engagement initiatives. We conducted Friday sessions that included yoga, dance fitness and games to

ensure a leisure-filled workplace. We arranged competitions during Diwali, Holi, Independence Day and International Yoga Day apart from having a dress code theme during the festive season to create a happy working environment. To make our employee birthday special, we sent birthday mailers to the respective employees. We also hosted cricket matches for the Mumbai Branch.

WE HAVE A REIMBURSEMENT POLICY CALLED CHILD EDUCATION ALLOWANCE, UNDER WHICH MNCL MANAGES THE EDUCATION EXPENSES OF EMPLOYEES WHOSE GROSS SALARY IS LESS THAN ₹ 20,000/- PER MONTH. THIS INCLUDES THEIR EDUCATION FEES TILL THEIR GRADUATION UPTO THE LIMIT OF ₹ 30,000/-

366

Total number of employees

Attrition rate (Defined as reciprocal of average no. of years in service)

14.9% Vs 15.31%

FY23

FY22

Gender diversity

82%

Vs

18%

Male

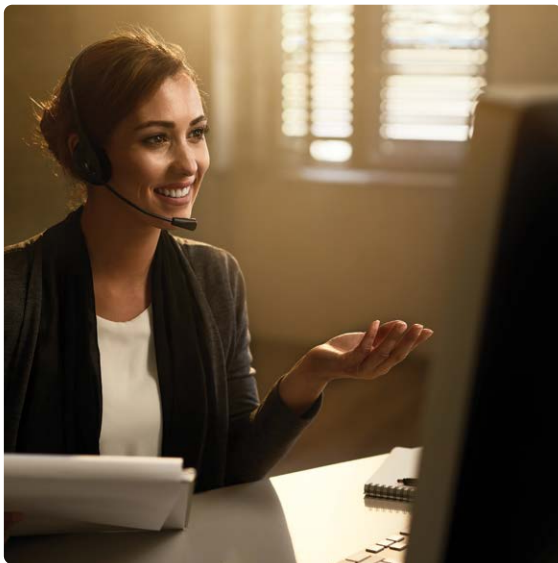
Female



Our people - Customers

BUILDING STRONG CUSTOMER RELATIONSHIPS

Customer centricity forms the core of our business operations. We place a strong emphasis on in-depth research to understand our evolving customer requirements. We undertake various measures as an ongoing effort to ensure strong relationships with our customers.



MEASURES TO ENHANCE CUSTOMER ENGAGEMENT

The initiatives that we began in previous years have also started gaining momentum during the year. A few of our customer-oriented initiatives undertaken during FY23 are listed below.

We amped up our customer interaction modes for institutional equities – calls, answering customised queries and corporate access events (general and customised for specific clients)

We held forums across different cities during the year for our retail and HNI investors to talk about investment philosophy, trends and answer queries

Our AIF team regularly interacts with their investors (existing and potential) by holding occasional meetings and webinars, quarterly newsletters and monthly factsheets

Our new mobile app has been primarily designed to provide a seamless retail investors' journey

Our IB team in conjunction with institutional research has proactively worked with our existing corporate contacts while forging new relationships



Strengthening brand recall

FOCUSSED MARKETING INITIATIVES TO INTENSIFY OUR BRAND POSITIONING

We continue to undertake unique marketing initiatives that help us strengthen our brand, build long-term customer relationships and drive growth.

BRAND STRENGTHENING MEASURES

During the year, we increased our presence across social media. We reported higher instances of analysts coming on TV to talk about investments. Our AIF team regularly attended webinars and conferences (including the one in Dubai in February 2023 convened by an industry association, the first of that type overseas) as flagbearers of the Monarch brand to build lasting associations and increase brand visibility.

109

Number of social media posts



MONARCH KE SANG GROW KARO!

Come join us and take your business to new heights! Get access to the best in class research and stock ideas.

OUR OFFERINGS

- RETAIL BROKING
- GLOBAL ACCESS
- INSTITUTIONAL EQUITIES
- FUND MANAGEMENT (AIF)
- INVESTMENT BANKING
- WEALTH & DISTRIBUTION

Follow us on     

Visit us on:- www.mnclgroup.com

Strengthening technology

CUTTING-EDGE TECHNOLOGY TO INCREASE EFFICIENCIES AND CUSTOMER JOURNEY

At MNCL, we continue to upgrade and invest in cutting-edge technology and digital platforms to automate processes, enhance operational efficiencies and strengthen risk management framework among others to provide seamless customer experience and achieve business excellence.

Our technology-led focus has led to streamlined processes, automate tasks, and provide seamless, user-friendly digital platforms for our clients.

During FY23, we worked towards enabling digital innovation, leveraging cutting-edge technologies to enhance our services, improve customer experiences, and drive operational efficiencies that resulted in improved profitability and competitiveness.

KEY FY23 HIGHLIGHTS**Key technology improvements**

We have initiated the process of redesigning our website for generating a more intuitive and personalised user experience. We have incorporated responsive design principles that offer consistent and accessible experience across devices.

Launch of mobile app 'REसच'

We soft-launched our mobile trading app 'RESACH by Monarch' (REसच) at the close of FY23 to empower our clients to trade on the go. Developed by using the latest technology frameworks, the app will ensure optimal performance, security, and reliability. The app has biometric authentication features, such as fingerprint and facial recognition, to provide added security extra and convenience for our clients.

Enhanced operational efficiencies

We have extended our digital transformation initiatives to our internal processes to increase our operational efficiencies. By adopting the latest technology, we have automated several manual tasks, reduced human errors and minimised processing time thus improving our overall efficiency.

Streamlined critical processes

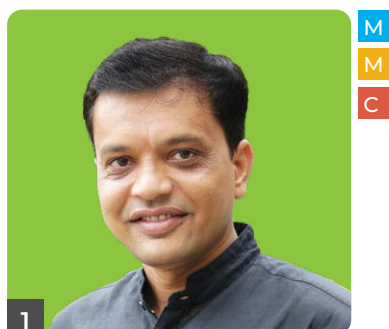
We have streamlined our critical processes, such as client onboarding, risk management and trade settlement by leveraging robotic process automation (RPA) and intelligent workflow systems. These improvements have resulted in cost efficiencies and optimisation of resources enabling our team to focus on more value-added activities and make our processes more robust.



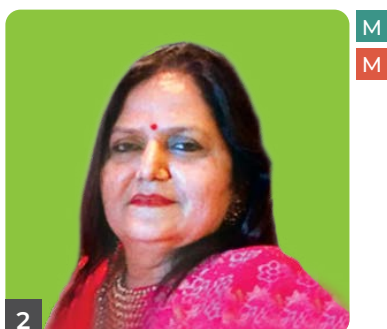
Board of directors

EXPERIENCED LEADERSHIP TO DRIVE STABLE AND STEADY GROWTH

Our strategic leadership ensures adherence to the best industry practices and corporate governance policies for driving result-oriented growth and building long-term customer relationships.



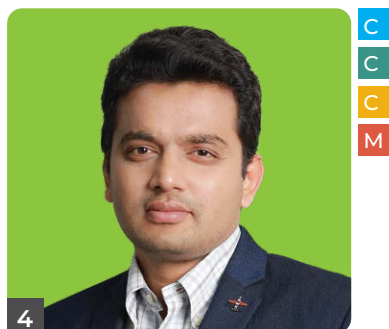
Vaibhav J Shah
Managing Director



Manju Bafna
Chairman & Whole time Director



Ashok Bafna
Whole time Director



Chetan Bohra
Independent Director



Sathish Kumar
Independent Director



Avni Chouhan
Independent Director



Gaurav Bhandari
Chief Executive Officer

1. Vaibhav J Shah

Vaibhav Shah is a co-founder of the Monarch Group (now merged with Network Stock Broking Limited). With over 29 years of expertise in the financial market, he is guiding the group to its next progressive era. An enterprising leader with a keen eye, he helps identify and tap new business opportunities to further expand

the business. He also possesses strategic skills to forge long-term association with clients, vendors and external business partners. As a focussed sales leader, he 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 constantly endeavours to optimise operations, reduce costs, improve service quality and strengthen the bottom-line. His exceptional leadership skills and outstanding commitment have led Monarch Network to receive several accolades in recent times.

An eminent speaker, he regularly presents his views and expertise on various market-related issues in print and electronic media. He has played an integral role in the rapid expansion of Branch Operations, Media & Brand functions. His excellent communication skills with his team members augurs well for achieving the broader business goals. A visionary, he is on a mission to create a wide-spread business of excellence towards a brighter future.

2. Manju Bafna

Manju Bafna holds a Bachelor of Science from Mumbai University. With over 28 years of experience in the Capital Market & Administrative Affairs of the organisation, she is an expert on organising, managing, and supporting the day-to-day activities towards running an organisation. She can seamlessly work individually and as a part of a group and has been involved across diverse areas such as recruitment, human resource planning & management. With

her excellent organisational and administrative skills she continues to enrich the group.

3. Ashok Bafna

Ashok Bafna has an experience of over two decades in broking services and handles the company's business affairs.

He develops the organisation's financial strategies and evaluates and analyses financial and accounting information. He contributes towards strategic thinking aligned with organisational objectives. He possesses a deep understanding of the capital market. He looks after the administrative and compliance-related affairs of the company apart from the investment of funds and managing associated risks.

He plays an integral role in supervising cash management activities and executing capital-raising strategies towards supporting the Group's expansion plan.

4. Mr. Chetan Bohra

Mr. Bohra holds a B. Com from University of Mumbai. He is a Chartered Accountant and associate member of ICAI since June 2009. He has over 16 years of experience in financial planning and financial arrangement in real estate area. He has previously worked with the multinational consulting firm i.e., BSR & Co. (KPMG) for a period of 3 years.

5. Mr. Sathish Kumar Pazhamalai

Mr. Sathish Kumar has done his Masters in International Business from Bharathiyar University, Coimbatore in the year 2005. He has rich experience of around 12 years in finance and has a deep knowledge of capital markets.

6. Ms. Avni Chouhan

Ms. Avni Chouhan is a qualified Company Secretary. She has scored 23rd rank in All India Rank holder in Company Secretary Professional Examinations. She has more than 8 years of experience in various Secretarial, Legal, Accounting and other allied matters.

7. Mr. Gaurav Bhandari

Mr. Gaurav Bhandari, a commerce graduate has done his Executive Business Management from IIM Calcutta. With over 17 years of rich experience in financial markets, Gaurav possesses strong relationship management skills with a deep understanding of all the businesses.

At MNCL, he spearheads the Company's Retail Broking, Institutional Equities, Investment Banking, Fund Management, Wealth & Third Party Distribution and Debt Capital Market businesses. He has played a key role in scaling the business to new highs. Under his strong leadership and business acumen, MNCL has executed multiple marquee transactions. Previously, he was associated with Centrum Broking, ICICI Securities, etc.

LEGEND

■ Audit Committee

■ Nomination and Remuneration Committee

□ Chairman □ Member

■ Stakeholder Relationship Committee

■ Corporate Social Responsibility Committee

STATUTORY REPORTS AND FINANCIAL STATEMENTS



MONARCH NETWORTH CAPITAL LIMITED

CIN: L65920GJ1993PLC120014

Regd. Office: Unit No. 803-804A, 8th Floor, X-Change Plaza, Block No. 53, Zone 5,

Road- 5E, Gift City, Gandhinagar -382355, Gujarat

Tel.: 079-26666500/079-66000500,

E-mail: cs@mnclgroup.com, Website: www.mnclgroup.com

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the members of Monarch Network Capital Limited will be held on Friday, the 22nd day of September, 2023 at 12.30 p.m. at Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasan Por Road, Kudasan, Gandhinagar - 382421 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, 2023 together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 02: To declare Final Dividend of ₹ 1/- per Equity Shares for the Financial Year ended 31st March, 2023.

Item No. 03: To appoint a Director in place of Mr. Vaibhav Shah (DIN: 00572666), Managing Director, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 04: To consider the re-appointment of Mr. Vaibhav Shah (DIN: 00572666) as Managing Director of the Company and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 (including any statutory modification (s) or re-enactment (s) thereof for the time being in force), the reappointment of Mr. Vaibhav Shah (DIN : 00572666) as Managing Director of the Company for a period of 05 (Five) Years with effect from 01st December, 2023 to 30th November, 2028 be and is hereby approved on such terms and conditions contained in the Agreement executed by and between Mr. Vaibhav Shah and the company, on the payment of such remuneration as may be determined by the Board, from time to time, within the maximum permissible limits as specified in the said agreement.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Vaibhav Shah as Managing Director of the Company, remuneration will be paid not exceeding the limits specified under Section II of Part II of Schedule V of the Act by making such compliances as provided in the Schedule.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

**By Order of the Board of Directors
For Monarch Network Capital Limited**

**Rupali Verma
Company Secretary & Compliance Officer
Membership No. A42923**

**Place: Ahmedabad
Date: 23rd August, 2023**

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning the special business to be transacted under item No. 4 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 as "Annexure A".
3. A route map as required under SS-2 issued by ICSI, including a prominent landmark, showing directions to reach the AGM venue is annexed to Annual Report and forms part of this Notice.
4. Members are requested to intimate any changes, if any, pertaining to their name/ postal address/ email ids/ PAN/ mandates/nominations/ power of attorney/ Bank account details, etc alongwith self-attested documentary proofs as under:
 - a. For shareholders holding shares in physical form, to Registrar and Share Transfer Agent (RTA) in prescribed forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, details of our RTA is as under:

 Skyline Financial Services Private Limited
 D- 153A, 1st Floor, Okhla Industrial Area,
 Phase- I, New Delhi- 110020
 Tel: 011-40450193-97 & 011-26812682-83
 Email: admin@skylinerta.com/info@skylinerta.com
 Website: www.skylinerta.com
 - b. For shareholders holding shares in electronic form, directly to their Depository Participants (DPs)
 - c. Forward all Share Transfers and other communications/ correspondence to the RTA.
 - d. Always quote their Folio no. / Client ID no. in all their correspondence with the RTA.
 - e. Intimate RTA for consolidation of folios, in case having more than one folio for better services.
5. 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.
6. 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.
7. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
8. 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. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten percent) of the total share capital of the company. A member holding more than 10% (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.
9. 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.

10. Proxies to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
11. The proxy-holder shall prove his identity at the time of attending the Meeting.
12. 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 Companies Act, 2013, together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting to the Company.
13. 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.
14. 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.
15. 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.
16. **Only bonafide members 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.**
17. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the directors are interested maintained under the Companies Act, 2013, will be available for inspection by the members at the AGM.
18. Pursuant to Section 91 of the Act, the Register of Members and Share Transfer books will remain closed from Friday, 15th day of September, 2023 to Friday, 22nd day of September, 2023 (both days inclusive).
19. **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.**
20. 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.
21. The Notice of 30th Annual General Meeting and instructions for e-voting, Attendance Slip and Proxy Form are being sent by electronic mode only to the members whose email address are registered with the Company/Depository Participant(s).
22. The Notice calling the AGM has been uploaded on the website of the Company at www.mnclgroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. Further the same is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
23. In compliance with the MCA Circulars and SEBI Circulars, the Notice of the 30th Annual General Meeting along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those members whose email addresses are registered with the Company/RTA/Depositories. Members may note that the Notice of annual general meeting and Annual Report for the financial year 2022-23 will also be available on the Company's website www.mnclgroup.com and the websites of the Stock Exchanges i.e. on BSE Limited at www.bseindia.com and on NSE Limited at www.nseindia.com
24. Subject to the provisions of the Act, dividend as recommended by the Board, if approved by the members at the annual general meeting will be

paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as at the end of Friday, 15th September, 2023.

25. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
26. Members holding shares in physical/electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.
27. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number ("PAN")	10% or as notified by the Government of India
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Members not having PAN / valid PAN	20% or as notified by the Government of India
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However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during fiscal 2022 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the

provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the member or details as prescribed under rule 37BC of Income-tax Rules, 1962
- Copy of Tax Residency Certificate for fiscal 2022 obtained from the revenue authorities of the country of tax residence, duly attested by member
- Self-declaration in Form 10F
- Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

The draft of the aforementioned documents may also be accessed from the Company's website at <https://www.mnclgroup.com/investor-relation>.

All Shareholders are requested to ensure that the above information & details are completed and/or updated, as applicable, in their respective demat account(s) maintained with the Depository Participant(s); or in case of shares held in physical form, with RTA, on or before the Record

Date i.e. Friday, 15th September, 2023. Please note that the following information & details, if already registered with the RTA or Depositories, as the case may be, will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions. Shareholders can also raise any query/ send the scanned copies of the documents mentioned above at info@skylinerta.com/admin@skylinerta.com

No communication would be accepted from members after Friday, 15th September, 2023 regarding tax withholding matters.

It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

Members are requested to note that, dividends if not encashed for a 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, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. 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 online application to the IEPF Authority in web Form No. IEPF-5 along with requisite fees. Further detailed information for the same are also available on www.iepf.gov.in.

28. E-Voting process:

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 30th Annual General Meeting to be held on Friday, 22nd September, 2023. The Company has engaged the services of National Securities Depository

Limited (NSDL) to provide the e-voting facility at the link www.evoting.nsdl.com. The Company has also appointed M/s. VKM & Associates, Practising Company Secretaries as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 15th September, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com.

Members may cast their votes on electronic voting system from any place (remote e-voting). The voting period begins on Monday, 18th September, 2023 at 09.00 a.m. and ends on Thursday, 21st September, 2023 at 05.00 p.m. (preceding the date of AGM). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 15th September, 2023 i.e. cutoff date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.

The facility for voting through polling paper shall be made available at the venue of the 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 Meeting. The members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, 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 make, not later than two working days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or

a person authorised by him in writing who shall countersign the same.

The results declared along with Scrutinizers' Report will be placed on the Company's website www.mnclgroup.com within two working days of the passing of the resolutions at the 30th AGM of the Company and shall be immediately communicated to BSE & NSE, where the shares of the Company are listed.

INSTRUCTIONS FOR E-VOTING:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
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- Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.



Individual Shareholders holding securities in demat mode with CDSL	- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. - If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/ Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vkmassociates@yahoo.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@skylinerta.com/admin@skylinerta.com with a copy marked to cs@mnclgroup.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to info@skylinerta.com/admin@skylinerta.com with a copy marked to cs@mnclgroup.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4:**

The members of the Company had in the Annual General Meeting held on 28th September, 2018 consented to the re-appointment of Mr. Vaibhav Shah (DIN: 00572666) as Managing Director of the Company for a period of 05 (Five) Years with effect from 01st December, 2018 to 30th November, 2023.

Accordingly, the Board of Directors of the company had in their meeting held on 23rd August, 2023, subject to the approval of the members of the Company approved re-appointment of Mr. Vaibhav Shah (DIN: 00572666) as Managing Director of the Company for a further period of 05 (Five) Years with effect from 01st December, 2023 to 30th November, 2028 on the terms and conditions as provided in the resolution as set out at item no. 04 of the Notice including remuneration as recommended by Nomination and Remuneration Committee and approved by the Board.

Mr. Vaibhav Shah, aged 51 Years, is a Science Graduate and also possesses rich experience of 29 years

in Securities Market and 18 years in commodity derivatives market.

Accordingly, re-appointment of Mr. Vaibhav Shah (DIN: 00572666) as Managing Director and remuneration payable to him, in terms of the applicable provisions of the Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V of the Companies Act, 2013 (including any statutory modification (s) or re-enactment (s) thereof for the time being in force), needs to be approved by the members of the Company in annual general meeting.

Your Board recommends the Special Resolution as set out at item no. 04 of the Notice for approval of the members.

Except Mr. Vaibhav Shah, none of the Director's and Key Managerial Personnel of your Company or their relatives is concerned or interested in the said resolution.

ANNEXURE A

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	: Mr. Vaibhav Shah
DIN	: 00572666
Date of Birth	: 17 th April, 1972
Nationality	: Indian
Qualifications	: B. Sc
Designation	: Managing Director
Experience/Expertise	: 29 years in Securities Market and 18 years in commodity derivatives market
Date of First appointment to the Board Meeting	: 01 st December, 2014
Number of meeting attended of board in last financial year	: 11
Terms & Condition for re-appointment	: 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	: ₹ 2,48,200/- p.m
Shareholding in the Company (Equity shares of ₹ 10/- each)	: 34,08,815
Directorship held in other listed companies along with Directorship held from which the person has resigned in the past three years (As on March 31, 2023)	: Nil
Memberships/Chairmanships of committees of other companies	: NA
Relationship with existing Directors of the Company	: None

**By Order of the Board of Directors
For Monarch Network Capital Limited**

**Rupali Verma
Company Secretary & Compliance Officer
Membership No. A42923**

**Place: Ahmedabad
Date: 23rd August, 2023**

DIRECTORS' REPORT

To,
The Members of,
Monarch Network Capital Limited

The Board of Directors (the "Board") of your Company have the pleasure in presenting the 30th Board's Report together with the Audited Financial Statements for the financial year ended 31st March, 2023.

FINANCIAL HIGHLIGHTS

The standalone and consolidated financial statements for the financial year ended 31st March, 2023, 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:

(₹ in Lakhs)

Particulars	Standalone Year Ended		Consolidated Year Ended	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Revenue & other Income	15,127.40	14,698.99	16,201.13	15,456.13
Profit before Tax	4,720.45	6,576.52	5,792.53	7,216.60
Tax Expenses:				
Short & Excess Tax Provision	17.87	27.54	8.4	(33.79)
Current Tax	1210.62	1,622.66	1,479.46	1,793.77
Deferred tax	8.16	25.48	7.43	25.62
Mat Receivable	0.00	25.92	0	25.92
Profit After Tax	3,483.81	4,874.92	4,297.24	5,405.08
Minority Interest	-	-	-	-
Share of Profit/(Loss) from Associates	-	-	(0.07)	(0.06)
Net profit for the year	3,483.81	4,874.92	4,297.16	5,405.01
Other comprehensive (loss)/income for the year	(18.78)	378.18	(18.78)	378.18
Total comprehensive income for the year	3,465.03	5,253.10	4,278.38	5,783.19
EPS:				
- Basic	10.23	16.92	12.63	18.63
- Diluted	10.23	15.43	12.63	18.19

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
a) Broking and Related Services				
1) Fees and commission income	7951.69	9001.33	7951.69	9001.33
2) Interest Income	4515.52	3233.36	4515.52	3233.36
3) Merchant Banking & Other Services	1844.90	825.50	1844.90	825.50
4) Asset Management Services	217.88	695.76	217.88	695.76
5) Others (Un-allocated)	597.41	943.04	600.19	943.38
b) Non-Banking financial business	-	-	937.91	620.69
c) Insurance business	-	-	133.04	136.14
TOTAL	15127.40	14698.99	16201.13	15456.14

STATE OF COMPANY'S AFFAIRS

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis. Management Discussion and Analysis for the year under review.

SHARE CAPITAL

As on March 31, 2023, the paid up equity share capital of the company was ₹ 33,86,95,180/- i.e. 3,38,69,518 equity shares of ₹ 10/- each.

During the year under review the Company had issued 28,20,000 Equity shares of face value of ₹ 10/- each (Rupees Ten Only) out of 29,90,000 Fully Convertible Warrants issued and allotted on August 06, 2021, at an issue price of ₹ 72/- each (Rupees Seventy Two Only) by way of preferential allotment on a private placement basis to the persons belonging to Non-Promoter Category. Rest 1,70,000 Fully Convertible Warrants has been cancelled on account of un-willingness/non subscription of the warrant holders to exercise the conversion option.

EMPLOYEE STOCK OPTION SCHEME

MNCL Employees Stock Options Scheme 2021 ("the Scheme") is administered by Monarch Network Capital Limited Employees Welfare Trust (ESOP Trust) under the instructions and supervision of Nomination and Remuneration Committee (NRC) of the Company. The Scheme is implemented through a trust route in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI Regulations") with an objective:

- To motivate the Employees to contribute to the growth and profitability of the Company.
- To retain the Employees and reduce the attrition rate of the Company.
- To achieve sustained growth and the creation of Shareholder value by aligning the interests of the Employees with the long-term interests of the Company.
- To create a sense of ownership and participation amongst the Employees to share the value they

create for the Company in the years to come, and

- To provide additional deferred rewards to Employees.

During the year review, no material change in the Company's existing plan has been made and the plan is in compliance with SEBI Regulations.

Pursuant to the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, a certificate has been issued by the Secretarial Auditor of the Company confirming that the Plan has been implemented in accordance with the said Regulations, would be placed at the ensuing Annual General Meeting of the Company for inspection by the members

The particulars required to be disclosed pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2021 is available on the website of the Company at <https://www.mnclgroup.com/investor-relation>.

TRANSFER TO RESERVES:

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

DIVIDEND:

The Board has recommended Final Dividend of ₹ 1/- per Equity Share (i.e. 10% of the Face Value) for the financial year 2022-23 in the Board Meeting of the Company held on 25th May, 2023, subject to approval of Shareholders at the ensuing Annual General Meeting ("AGM").

STOCK EXCHANGE:

The Equity Shares of the Company are listed at BSE & NSE Limited.

Your Company has paid the requisite Annual Listing Fees to National Stock Exchange of India Limited (Symbol: MONARCH) and BSE Limited (Scrip Code: 511551), where its Equity Shares are listed.

BOARD OF DIRECTOR'S:

The Board of the Company comprises of 6 (Six) Directors as on March 31, 2023, the details are as below:

Sr. No.	Name of the Director	DIN	Designation
1	Ms. Manju Bafna	01459885	Chairman & Whole –Time Director
2	Mr. Vaibhav Shah	00572666	Managing Director
3	Mr. Ashok Bafna	01431472	Whole –Time Director
4	Mr. Chetan Bohra	03645353	Independent Director
5	Mr. Sathish Kumar	08735238	Independent Director
6	Ms. Avni Chouhan	08716231	Independent Director

DIRECTORS RETIRING BY ROTATION AND RE-APPOINTMENT:

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, Mr. Vaibhav Shah (DIN: 00572666), retires by rotation and being eligible, has offered himself for re-appointment.

Mr. Vaibhav Shah, Managing Director of the Company has been re-appointed for a period of 05 (Five) years w.e.f. 01st December, 2023 to 30th November, 2028 subject to the approval of shareholder's in ensuing AGM.

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

Additional Information on directors recommended for 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 30th Annual General Meeting.

The Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The Code of Conduct is placed on the website of the Company at <https://www.mnclgroup.com/investor-relation/investor-relation-policy>.

CHANGE IN DIRECTOR'S AND KEY MANAGERIAL PERSONNEL:

Below changes took place in Key Managerial Personnel's of the company during the year under review

1. Mr. Tarak Shah, Chief Financial Officer of the company resigned w.e.f. closing hours of 10th August, 2022.

2. Mrs. Hetvi Gandhi has been appointed as Chief Financial Officer of the Company w.e.f. 11th August, 2022.

Further there were no changes in Director's of the Company during the Financial Year under review.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from all the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing and Obligation Disclosure Requirements) Regulations 2015, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing and Obligation Disclosure Requirements) Regulations 2015.

ANNUAL PERFORMANCE EVALUATION BY THE BOARD:

Pursuant to provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of the performance of the Board, its Committees and of individual Directors.

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

- i. Attendance of Board Meetings and Board Committee Meetings;

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

COMMITTEES OF THE BOARD:

There are currently 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.

ANNUAL RETURN:

The Annual Return of the Company as on March 31, 2023 is available on the Company's website and can be accessed at <https://www.mnclgroup.com/investor-relation>.

MEETINGS OF THE BOARD:

During the year under review, the Board of Directors has held Eleven (11) Board meetings. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance 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.

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES:

The Company has 4 (Four) Subsidiary Companies and 1 (One) Associate Companies as on 31st March, 2023. 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 which form part of the Annual Report. Further, a report on the performance and financial position of each of the Company's subsidiaries and associate companies for the financial year ended March 31, 2023 in Form AOC-1 is attached and marked as **"Annexure – I"** 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 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:

All Related Party 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.

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>;

PARTICULARS OF REMUNERATION:

The requisite details pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, are appended to this report as "Annexure II".

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 -III".

CORPORATE GOVERNANCE:

Your Company believes in adopting best practices of corporate governance. Corporate governance principles are enshrined in the Spirit of Monarch Network, 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 -IV" 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.

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://www.mnclgroup.com/investor-relation/investor-relation-policy>

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

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 2022-23, 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 same is also hosted on the website of the Company - <https://www.mnclgroup.com/investor-relation/investor-relation-policy>

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

Your Company has zero tolerance towards any action on the part of any of its employees, which may fall within the ambit of 'Sexual Harassment' at workplace.

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 constituted a committee and 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 2022-23, 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

RISKS AND AREAS OF CONCERN:

The Company has laid down a well-defined Risk Management Policy to identify the risk, analysis 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. Rushil Soni & Co., Chartered Accountants, Ahmedabad as its Internal Auditor vide Board Meeting dated 30th May, 2022. 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:

At the 26th Annual General Meeting of the Company held on 30th September, 2019, M/s. Parekh Shah and Lodha, Chartered Accountants, Mumbai (having FRN: 107487W), were re-appointed as Statutory Auditors of the Company to hold office for a second term of five consecutive years upto the conclusion of 31st Annual General Meeting to be held in the year 2024.

The Auditor's Report for the year ended 31st March, 2023 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 31st March, 2023 is enclosed as "Annexure VI" to this Report.

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

- 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.
- 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.
- The capital investment on energy conservation equipment – Nil

B. Technology Absorption

- 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.
- The benefits derived like product improvement, cost reduction, product development or import substitution- Not Applicable
- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable
- 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 ₹)

Particulars	Year ended 31 st March, 2023	Year ended 31 st March, 2022
Foreign exchange earning	73,350.60	72629.5
Foreign exchange Outgo	Nil	Nil

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

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2023 and till the date of the Director' Report.

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.

Your Directors appreciate and value the contribution made by every member of the MNCL family.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: 23rd August, 2023

Vaibhav Shah
Managing Director

Manju Bafna
Chairman cum Whole-Time Director

ANNEXURE – I

FORM AOC-I

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

PART A – SUBSIDIARY COMPANIES

(₹ In lakhs)

Particulars	Monarch Network Finserve Private Limited	Monarch Network Capital IFSC Private Limited	Monarch Network Investment Advisors Private Limited	Monarch Network Money Changers Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2023	31.03.2023	31.03.2023	31.03.2023
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
Equity Share Capital	966.67	5.00	60.00	50.00
Reserves	1853.27	(1.84)	182.27	5.90
Total Assets	3037.16	5.14	284.53	57.42
Total Liabilities	217.22	1.97	42.26	1.52
Investments (except in subsidiary companies)	0.00	0.00	0.00	0.00
Total Turnover	1095.32	0.00	133.04	2.83
Profit/(Loss) before Taxation	980.97	(0.41)	88.91	2.60
Provision for Taxation	234.84	0.00	23.10	0.70
Profit/(Loss) after Taxation	746.13	(0.41)	65.80	1.90
Proposed Dividend	0.00	0.00	0.00	0.00
% of shareholding	100.00	99.99	99.99	100.00

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

PART B – ASSOCIATES AND JOINT VENTURES

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

(₹ In lakhs)

Particulars	Networth Financial Services Limited
1. Latest audited Balance Sheet Date	31.03.2023
2. Shares of Associate/Joint Ventures held by the company on the year end	
a. No. of shares	9.49
b. Amount of Investment in Associates/Joint Venture	94.94
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	87.89
6. Profit / Loss for the year	
i. Considered in Consolidation	(0.09)
ii. Not Considered in Consolidation	NA

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

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: 23rd August, 2023

Vaibhav Shah
 Managing Director

Manju Bafna
 Chairman cum Whole-Time Director

ANNEXURE – II

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	10:1
2	Ms. Manju Bafna	7.2:1
3	Mr. Ashok Bafna	8.1:1
4	Mr. Chetan Bohra	NA
5	Mr. Sathish Kumar	NA
6	Ms. Avni Chouhan	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	Ms. Manju Bafna	19.78%
3	Mr. Ashok Bafna	0.00
4	Mr. Gaurav Bhandari	13.89%
5	Mr. Tarak Shah	0.00
6	Mrs. Hetvi Gandhi	0.00
7	Ms. Rupali Verma	0.00

(iii)	The percentage increase in the median remuneration of employees in the financial year	10%
(iv)	The number of permanent employees on the payroll of the Company	376
(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 4.65%
(vi)	Statement Pursuant To Rule 5(2) Of Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014	Attached as Annexure "i"

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.

For and on behalf of the Board of Directors

Place: Ahmedabad
 Date: 23rd August, 2023

Vaibhav Shah
 Managing Director

Chetan Bohra
 Chairman of Nomination and
 Remuneration Committee

ANNEXURE “I”

Statement Pursuant To Rule 5(2) & (3) 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 2022-2023, in excess of that drawn by the Managing Director or Whole-Time Director:

Sr No	Name Of Employee	Designation	Remuneration Received (₹) (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	Gaurav Bhandari	Chief Executive Officer	1,124,95,956	B.Com, IIM C/ over 17 years in the financial markets	10/06/2019	42 Years	Centrum Capital Limited	5.31
2	Bankim Shah	Operation Head	30,00,000	B.Com/ More than 25 years in Securities market & 15 years in commodity derivatives	01/01/2015	49 Years	Monarch Research and Brokerage Private Limited	6.81 (Along with spouse)
3	Shailen Shah	President-Institutional Desk	24,02,472	B.Com /More than 25 Years of experience in Capital Market & Institutional Desk	14/11/2014	48 Years	Monarch Project & Finmarkets Limited	2.08

Notes:

1. Remuneration comprises 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended on 31st March, 2023. 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.

GLOBAL ECONOMY

In 2022, several challenges hampered global growth namely, the continued geopolitical tension, inflationary pressure and a resurgence of Covid-19 in China. Several central banks were compelled to adopt stringent monetary policies to curb inflation. Global economic growth came in at 3.4% in 2022 with advanced economies growing at 2.7% and Emerging Market and Developing Economies (EMDEs) clocking 4% growth. Towards the end of 2022, supply side bottlenecks gradually began to ease out and transportation costs saw some respite. Across sectors, input price pressures thus began to decelerate. Global headline inflation appears to have peaked in the third quarter of 2022. Fuel prices and prices of nonfuel commodities are declining, lowering headline inflation.

Global growth is estimated at 2.8% in 2023 and 3% in 2024. Advanced economies are expected to witness 1.3% growth in 2023 and 1.4% in 2024. EMDEs are expected to grow at 3.9% in 2023 and 4.2% in 2024. In emerging markets and developing economies, growth bottomed out in 2022 and is expected to pick up, led by China, with the full reopening in 2023. With inflation subsiding gradually and easing of supply bottlenecks economic activity is expected to pick-up in 2024 in both groups. About 84% countries are expected to have lower headline (consumer price index) inflation in 2023 than in 2022. Global inflation is set to fall from 8.7% in 2022 to 7% in 2023 and 4.9% in 2024 when the impact of tight monetary controls will begin to show benefits.

Source: World Economic Outlook-IMF, April 2023

INDIAN ECONOMY

Amidst challenging global economic growth, the Indian economy grew sustainably in FY 2022-23. India was one of fastest growing major economies in the world. As per the National Statistics Office, the Indian GDP growth in FY 2022-23 is estimated at 7% as compared to 9.1% in FY 2021-22 led by strong government support and substantial increase in capital expenditure. The Union Budget 2023-24, laid strong emphasis on boosting economic growth amid mounting fears of recession elsewhere.

The total current account deficit for FY23 widened to US\$67bn from US\$39bn in FY22, primarily on account of rising oil consumption. The rupee depreciated by 7.8% vs the USD in FY23 vs 3.0% in FY22, primarily due to foreign selling of Indian stocks. CPI inflation reduced to 5.66% from 6.95% in FY22 aided by drop in Brent crude prices from US\$108 as at the end of FY22 to US\$80 as at the end of FY23, partly due to pressure exerted by Russia selling to several countries (including India) at discounted prices. Moderation in inflation was led by normalization of activities on easing of supply-side bottlenecks.

Though there was normalcy witnessed in consumption growth, investment growth remained slow. Non-food bank credit grew 15.4% in March 2023 as compared to 9.7% in March 2022. Credit to industry growth slowed to 5.7% as compared to 7.5% as at the end of FY22. Retail credit grew 20.6% as compared to 12.6% as at the end of FY22. The S&P Global's Purchasing Managers Index for manufacturing improved from 54.7 in April 2022 to 56.4 in March 2023, signifying steady momentum in manufacturing.

According to IMF, India is expected to be the fastest-growing economy in FY 2023-24. As per the Economic Survey 2022-23 and RBI, Indian economy is expected to grow at 6.5% in FY 2023-24. The inflation trajectory in India is likely to be determined by extreme weather conditions like heat waves and the possibility of an El Nino year, volatility in international commodity prices and pass-through of input costs to output prices.

INDUSTRY OVERVIEW**Stock broking**

In FY23, the stock markets in India faced multiple challenges like aggressive policy stance globally, high valuations in Indian equity markets, reopening of the Chinese trade which took away some part of fund flows, selling pressure by foreign portfolio investors (FPIs) and the US banking crisis. The Sensex and Nifty closed at 58,992 (up 1%) and 17,360 (down 0.5%) respectively in March 2023. Still, India was the second-best performer among the emerging markets in FY23 after South Africa. The benchmark Nifty 50 declined 1.8% to 17,360 on 31st March 2023 from 17,670 on 1st April 2022, after touching a high of 18,812 on 1st December 2022. During FY23, 24.8 million demat accounts were added, taking the total to 114.5 million as compared to 89.7 million in FY22. Market activity took a meaningful breather in FY23 against FY22. BSE cash and derivatives (ex-commodity) turnover slipped by 23% and 44% respectively. For the NSE, cash turnover declined by 20% but derivatives increased by 17%. In FY23, FIIs remained cautious by pulling out ₹37,632 crore from the Indian stock market, lesser than the outflow of ₹1.4 lakh crore in FY22. FPIs net sold stocks worth ₹1,98,639 crore, whereas DIIs bought net ₹2,55,236 crore (cash market only). DIIs have acquired primacy in the last few years which continued in FY23, thereby lending stability to the markets even as FPIs pulled out of emerging markets in the face of geopolitical conflicts. Amongst cash market participants, retail, institution and proprietary segments constituted 47%, 25% and 28% of total cash volume, respectively. The proportion of DII in the cash market was 10%.

Investment banking

The investment banking market was distinctly muted in FY23 compared to FY22, marred by the collapse of some notable global financial entities. In FY23, there were 37 main board IPOs as compared to 53 in FY22. The IPO market raised approximately ₹15,600 crore in FY23 as compared to ₹1,46,145 crore in FY22. The general level of activity was significantly low in FY23 as compared to FY22 which witnessed big-ticket fintech, tech and Life Insurance Corporation IPOs. Based on publicly disclosed information, M&A deals went from ₹57,904 crore in FY22 to ₹22,440 crore in FY23. Disclosed private equity deals were ₹72,540 crore in FY22, which went down marginally to ₹70,150 crore in FY23.

Asset management

The Alternative Investment Fund (AIF) industry saw robust performance in FY23. Within Category II, the largest of the three categories, actual investments made went up from ₹1,99,452 crore in FY22 to ₹2,42,915 crore in FY23. Under Category III, corresponding figures were ₹60,809 crore in FY22 to ₹71,055 crore in FY23. AIFs compete with other forms of collective investment vehicles like mutual funds, they offer better, cost-effective and focussed solutions for high net worth investors, and hence have been growing in importance. AUMs of mutual funds and portfolio management services, which are larger than AIFs, also grew in FY23, but to a lesser extent. MF AUM increased from ₹37,56,683 crore in FY22 to ₹43,20,468 crore in FY23. PMS AUM grew from ₹24,19,270 crore in FY22 to ₹27,79,604 crore in FY23.

COMPANY OVERVIEW:

Monarch Network Capital Limited is a leading player in the Indian financial services space. Monarch Network Capital is a strategic amalgamation of two leading financial service providers Monarch Group of Companies and Network Stock Broking Ltd. With more than 2 decades of devising and executing smart financial products and strategies, we have emerged as one of the leading and reliable financial services providers.

We, during these years have added more verticals to pure stock broking services. At Monarch Network Group we offer a wide range of products & services to our customers such as Equity, Commodity And Currency Broking, Initial Public Offer (IPO), Follow-on public offer (FPO) and qualified institutional placements (QIP), Alternative Investment Fund (AIF), Distribution of mutual fund products, bonds, FDs, NPS, Life Insurance & General Insurance policies of various insurance companies, Depository (demat) services, Investment banking services, Loan against securities (LAS) and margin funding, Wealth Management, Portfolio Management Services, Merchant Banking Services, etc. Further we also provide services like NBFC, Research and Analyst, through its various subsidiaries. The diversity of our services is backed by a team of research experts, robust infrastructure and well managed processes.

With a customer first culture, it is our constant endeavor to engage with them, allowing us to develop

a deep understanding of their unique requirements. We believe in building lasting relationships with our customers. At Monarch, we continue to create meaningful value for our customers by making investing easy providing rewarding investment opportunities, incisive research from industry experts and multi-product offering. Among other uses, we are actively deploying technology for customer acquisition, increased customer activation and facilitating ease of conducting business with us.

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
- Corporate 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.

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
a) Broking and Related Services				
1) Fees and commission income	7951.69	9001.33	7951.69	9001.33
2) Interest Income	4515.52	3233.36	4515.52	3233.36
3) Merchant Banking & Other Services	1844.90	825.50	1844.90	825.50
4) Asset Management Services	217.88	695.76	217.88	695.76
5) Others (Un-allocated)	597.41	943.04	600.19	943.38
b) Non-Banking financial business	-	-	937.91	620.69
c) Insurance business	-	-	133.04	136.14
TOTAL	15127.40	14698.99	16201.13	15456.14

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

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



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.

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 2021-22 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.

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:

(₹ in Lakhs)

Particular	FY 2022-23	FY 2021-22	Reason If changes done more than 25%
Debtors Turnover	NA	NA	-
Inventory Turnover	NA	NA	-
Interest Coverage Ratio	9.59	33.17	Due to higher short term debt availed for collateral deposit with exchanges
Current Ratio	1.39	1.24	-
Debt Equity Ratio	0.004	0.009	-
Operating Profit Margin (%)	31.21%	43.37%	-
Net Profit Margin (%)	23.03%	33.17%	Due to higher employee expenses which has impacted profitability

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

(₹ in Lakhs unless otherwise specified)

Particulars	2022-23	2021-22	2020-21
Total Revenue	14529.99	13755.94	9,153.94
EBIDTA	5566.15	6804.44	3095.72
PBT	4720.45	6576.52	2924.73
PAT	3,483.81	4874.92	2039.7
Total Comprehensive Income for the year	3,465.03	5253.10	2,178.03
EPS (₹)	10.23	16.92	7.01

HUMAN RESOURCES/INDUSTRY RELATIONS:

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

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

The total staff strength of the Company and its subsidiaries as on 31st March, 2023 stood at 376.

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

Particular	FY 2022-23	FY 2021-22
Return on Net Worth as compared to the immediately previous financial year.	16.57%	32.76%

Explanation: Declined due to equity expansion (on conversion of warrants) and lower profitability.

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 and on behalf of the Board of Directors

Place: Ahmedabad
Date: 23rd August, 2023

Vaibhav Shah
Managing Director

Manju Bafna
Chairman cum Whole-Time Director

ANNEXURE – IV

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.

The Board of Directors of the Company has optimum combination of Executive and Non-Executive/Independent Directors. As on 31st March, 2023, the Board of Directors comprised of 6 (Six) directors out of which 3 (Three) were Non-Executive Director/Independent Director and 3 (Three) Executive Directors. The Chairman of the Board is Executive Director.

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.

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 they is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2023 have been made by the Directors.

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.

A. The details of composition of the Board, their attendance at each Board meeting held during the FY 2022-2023 and at the last Annual General Meeting, their directorships in other companies and positions in various Committees are as follows:

Name	Category	No. of Board Meetings Held	No. of Board Meetings Attended	Whether attended last AGM	As on 31 st March, 2023 (Excluding position in the Company)		
					No. of Directorships	Chairmanship(s)	Membership(s)
Mr. Vaibhav Shah	P/MD/ED	11	11	Yes	2	–	–
Ms. Manju Bafna	P/C/ED	11	11	No	5	–	–
Mr. Ashok Bafna	P/ED	11	11	No	3	–	–
Mr. Chetan Bohra	I/NED	11	11	Yes	8	–	–
Mr. Sathish Kumar	I/NED	11	11	No	–	–	–
Ms. Avni Chouhan	I/NED	11	11	Yes	4	3	–

Notes:

1. C – Chairman, P – Promoter, I – Independent Director, MD- Managing Director, NED – Non Executive Director, ED – Executive Director
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.

B. Details of Directorship in other listed entity(s)

Category of Directorship	Category of Directorship	Category of Directorship
Ms. Avni Chouhan	1. Transwind Infrastructures Limited 2. One Global Service Provider Limited	Non-Executive - Independent Director

C. Number of Board Meetings:

During the financial year 2022-23, 11 (Eleven) meetings of Board of Directors were held on viz., 30th May, 2022, 11th July, 2022, 10th August, 2022, 23rd August, 2022, 27th September, 2022, 27th October, 2022, 14th November, 2022, 12th December, 2022, 04th February, 2023, 09th February, 2023 and 17th March, 2023. The necessary quorum was present for all the meetings. The gap between any two meetings never exceeded 120 days (except during relaxation granted by Ministry of Corporate Affairs and Securities and Exchange Board of India).

D. Separate Meeting of Independent Directors

During the year, a separate meeting of the Independent Directors of the Company was held on 4th February, 2023 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.

E. Number of shares and convertible instruments held by Directors

Name	Category	Number of equity shares
Mr. Vaibhav Shah	Non-Independent, Executive	34,08,815
Ms. Manju Bafna	Non-Independent, Executive	15,62,557
Mr. Ashok Bafna	Non-Independent, Executive	7,03,500

None of the Non- Executive Directors hold any shares or convertible instruments of the Company.

F. 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

The details of familiarization programme of the Independent Directors are available on the Company's website at www.mnclgroup.com

G. 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. These Directors are nominated based on well-defined selection criteria. 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 possessed by the Board are as under:

Name	Finance	Legal/ Corporate law	Corporate Governance	General Management	Leadership	Administrative	Business Development
Mr. Vaibhav Shah	√		√	√	√	√	√
Ms. Manju Bafna			√	√	√	√	
Mr. Ashok Bafna	√		√	√	√	√	√
Mr. Chetan Bohra	√	√	√	√	√	√	
Mr. Sathish Kumar	√		√	√			√
Ms. Avni Chouhan	√	√	√	√			

H. Fulfillment of the criteria to be Independent Director:

In opinion of the Board, all the Independent Directors of the Company meet the requirements laid down under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act and have declared that they do not fall under any disqualifications specified thereunder. Further all the Independent Directors have confirmed that they meet the criteria as mentioned in the above regulations.

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.

3. COMMITTEES OF THE BOARD:

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

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

I. AUDIT COMMITTEE:

- 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.
- The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal

- 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, 2023 the Audit Committee

consists of 2 (Two) Non-Executive/Independent Directors and 1 (One) Executive Director.

- e) During the financial year 2022-23, the members of Audit Committee met 04 (Four) times on 30/05/2022, 10/08/2022, 14/11/2022 and 09/02/2023. The Composition and attendance of the members of the Audit Committee during the financial year 2022-23 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Chetan Bohra	Chairman	04	04
Mr. Sathish Kumar	Member	04	04
Mr. Vaibhav Shah	Member	04	04

- 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 2022-23, the members of Nomination and Remuneration Committee met 1 (One) time on 10/08/2022.

- d) The Composition and attendance of the members of the Nomination and Remuneration Committee during the financial year 2022-23 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Chetan Bohra	Chairman	01	01
Mr. Sathish Kumar	Member	01	01
Mr. Manju Bafna	Member	01	01

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.

The Nomination and Remuneration Policy of the Company has been uploaded on the Company’s website and can be accessed at www.mnclgroup.com.

Details of remuneration/sitting fees paid to the Directors and number of shares held by them in the Company during the financial year 2022-23 are as follows:

(₹ unless otherwise specified)

Name	Category	Salary	Perquisites/ Allowances	Stock Options	Sitting Fees*	Total	No. of shares held
Mr. Vaibhav Shah	Managing Director	29,78,400	-	-	-	29,78,400	34,08,815
Ms. Manju Bafna	Chairman & Whole Time Director	21,37,980	-	-	-	21,37,980	15,62,557
Mr. Ashok Bafna	Whole Time Director	24,02,472	-	-	-	24,02,472	7,03,500
Mr. Chetan Bohra	Independent Director	-	-	-	-	-	-
Mr. Sathish Kumar	Independent Director	-	-	-	-	-	-
Ms. Avni Chouhan	Independent Director	-	-	-	-	-	-

Note: 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 2022-23, the members of Stakeholders' Relationship Committee met 04 (Four) times on 30/05/2022, 10/08/2022, 14/11/2022 and 09/02/2023.
- d) The Composition and attendance of the members of the Stakeholders' Relationship Committee during the financial year 2022-23 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Chetan Bohra	Chairman	04	04
Mr. Sathish Kumar	Member	04	04
Mr. Vaibhav Shah	Member	04	04

- e) Name and designation of the Compliance Officer:

Ms. Rupali Verma
Company Secretary and Compliance Officer

- f) Details of Status of Investors' Complaints during the year 2022-23 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:

- a) The Corporate Social Responsibility committee is constituted in line with the provisions of Section 135 of the Companies Act, 2013.
- b) During the financial year 2022-23, the members of the Committee met 3 (Three) time on 23/08/2022, 12/12/2022 & 17/03/2023.

- c) The Composition and attendance of the members of the Corporate Social Responsibility Committee during the financial year 2022-23 was as follows:

Name	Designation	Number of Meetings Held	Meetings Attended
Mr. Vaibhav Shah	Chairman	03	03
Ms. Manju Bafna	Member	03	03
Mr. Chetan Bohra	Member	03	03

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>;

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

- 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;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- 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
2021-22	29 th	23 rd September, 2022	2.00 p.m.	Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasan Por Road, Kudasan, Gandhinagar -382421
2020-21	28 th	30 th September, 2021	2.00 p.m.	Fortune Inn Haveli, East Wing - Banquet Hall, Plot No 235, Sector 11, Gandhinagar - 382011
2019-20	27 th	30 th September, 2020	9.30 a.m.	Office no. 901/902, 9 th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai-400063

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

Date of AGM	Purpose of Resolution
23 rd September, 2022	Re-appointment of Mrs. Manju Bafna as a Whole Time Director of the Company
30 th September, 2021	NA
30 th September, 2020	Appointment of Mr. Ashok Bafna as a Whole Time Director of the Company

- b) Postal Ballot (E-voting):

- During the year under review, no special resolution was passed by means of Postal Ballot.
- Details of special resolution proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot till the date of approval the Boards Report.

VI. MEANS OF COMMUNICATIONS:

- a. The quarterly, half-yearly and annual results of the Company are forwarded to BSE Limited and NSE Limited where the shares of the Company are listed. Further the same is published in "Economic Times" (English)/ "Financial Express (English)" and "Financial Express (Gujarati)". 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, 2023 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 2022-23:**

Date : 22nd September 2023
Day : Friday
Time : 12.30 p.m.
Venue : Prominent Corporate Residency,
Plush Restaurant & Banquets,
Luxury Redefined, B/H Ugati
Heights, Kudasan Por Road,
Kudasan, Gandhinagar -382421

f. Market Price Data:

The monthly high and low quotations of the company's shares traded on the BSE Limited and the National Stock Exchange of India Limited during the financial year 2022-2023 are as under:

Month	Price on BSE (₹)*		Price on NSE (₹)*	
	High	Low	High	Low
April 2022	358.35	192.45	359.00	192.75
May 2022	364.25	264.20	365.45	263.65
June 2022	312.75	222.80	313.00	222.00
July 2022	266.20	232.10	266.00	238.25
August 2022	389.45	248.50	390.00	251.55
September 2022	416.50	325.00	417.80	321.50
October 2022	395.55	312.00	394.70	326.00
November 2022	396.00	340.25	397.00	345.10
December 2022	419.00	304.85	419.45	308.65
January 2023	395.40	259.45	395.60	259.40
February 2023	293.35	190.70	294.50	190.00
March 2023	257.50	186.25	259.00	190.00

*Source: www.bseindia.com & www.nseindia.com

b. Financial Calendar:

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

Financial Calendar (Provisional for 2023-24):

Subject Matter	Tentative Dates of the Board Meeting
First Quarter Results	On 28 th July, 2023.
Second Quarter Results	By 14 th November, 2023.
Third Quarter Results	By 14 th February, 2024.
Fourth Quarter/ Yearly Results	By 30 th May, 2024 (Audited Results)

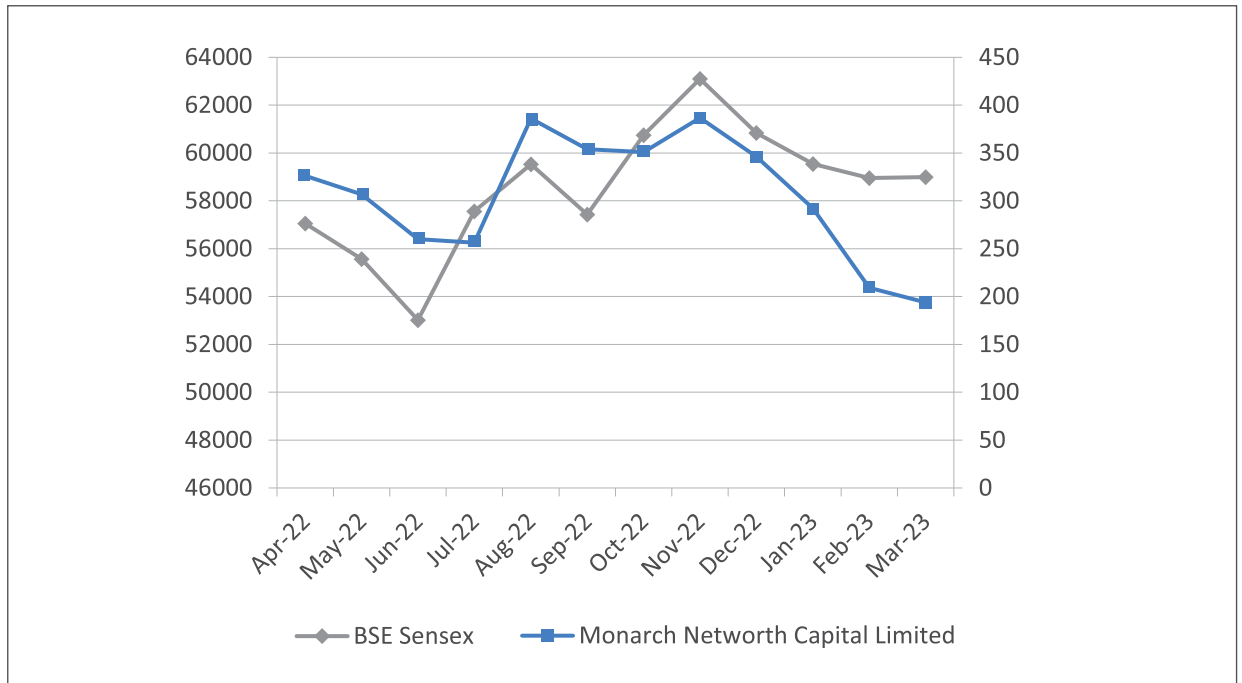
c. Dividend Payment Date: On or after 23rd September, 2023.**d. Listing on Stock Exchange:**

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

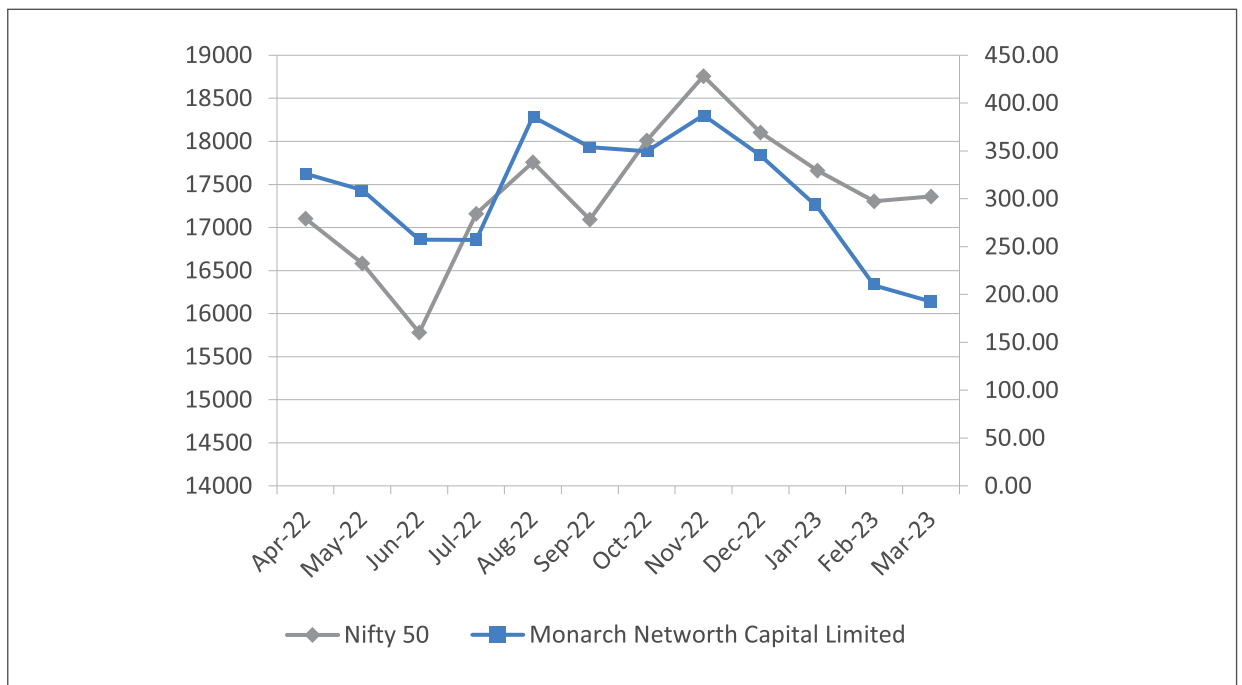
e. Stock Code & ISIN:

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

g. Performance of Monarch Network Capital Limited Share Price in comparison with BSE Sensex & Nifty 50:



*Source: www.bseindia.com



*Source: www.nseindia.com

h. Suspension from trading:

No Securities of the Company are suspended from trading during the financial year 2022-23.

i. Registrars and Transfer Agents details:

Skyline Financial Services Private Limited
D- 153A, 1st Floor, Okhla Industrial Area,
Phase- I, New Delhi- 110020
Tel: 011-26812682/83
Email: info@skylinerta.com/admin@skylinerta.com
Website: www.skylinerta.com

j. Share Transfer System:

Skyline Financial Services Private Limited, RTA of the Company, handles share and shareholders related matters. Our RTA has adequate infrastructure to process share transfer related matters.

Pursuant to Regulation 40(1) of the Listing Regulations, securities can be transferred only in dematerialized form w.e.f. April 01, 2019, except in case of transmission of securities or transposition of names. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

The Company obtains, from a Company Secretary in practice, half yearly certificate of Compliance with the share transfer formalities as required under Regulation 40 (9) of Listing Regulations, and files a copy of the same with the Stock Exchanges.

k. Shareholding Pattern as on 31st March, 2023:**i. Distribution Schedule as on 31st March, 2023:**

Slab of Shares Holding	Number of Share Holders	% to total number of holders	Shareholding Amount (₹)	%to total Number of Shares
Up To 5,000	5438	86.56	57,17,560	1.69
5,001 To 10,000	317	5.05	25,27,560	0.75
10,001 To 20,000	163	2.59	24,70,060	0.73
20,001 To 30,000	83	1.32	21,17,410	0.63
30,001 To 40,000	44	0.70	15,60,500	0.46
40,001 To 50,000	38	0.60	17,49,650	0.52
50,001 To 1,00,000	77	1.23	56,54,940	1.67
1,00,001 and above	122	1.94	31,68,97,500	93.56
TOTAL	6282	100.00	33,86,95,180	100.00

ii. Categories of equity shareholding as on March 31, 2023:

Categories	No of Shareholders	No. of Shares	% of shareholding
Promoters	11	17158872	50.66
Foreign Portfolio Investors	1	958388	2.83
Financial Institution/Banks	1	300	0.00
Non- Resident Indians	40	144930	0.43
Bodies Corporate	100	5354713	15.81
Clearing Members/House	9	9898	0.03
Resident Indian HUF	203	797962	2.36
Indian Public	5892	9068884	26.78
Trust	2	17000	0.05
Firm	23	358571	1.06
Total	6282	33869518	100.00

iii. **Dematerialization of Equity Shares and Liquidity**

As on 31st March, 2023, 99.32% 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.

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

The Company has not issued any ADRs/ GDRs/Convertible Instruments during the year under review.

m. **Date of Book Closure/Record Date:** 15th September, 2023 to 22nd September, 2023.

n. **Corporate Identity Number (CIN) of the Company:** L65920GJ1993PLC120014

o. **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
 Laxmi Tower, 4th Floor, B Wing, G Block,
 Bandra Kurla Complex, Bandra East,
 Mumbai – 400051
 Telephone: 022-66476400 (456)
 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, 2023 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.

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 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. **Compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all mandatory requirements as laid down in Listing Regulations.

f. **Subsidiary Companies:**

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary

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

As on 31st March, 2023, the Company had following subsidiaries:

1. Monarch Network Finserve Private Limited
2. Monarch Network Investment Advisors Private Limited.
3. Monarch Network Capital IFSC Private Limited
4. Monarch Network Money Changers Private Limited

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

- g.** 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>.

h. 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.

i. Reconciliation of share capital audit:

A qualified practising 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.

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

- The auditor's report on statutory financial statements of the Company is unqualified.
- The Internal Auditor reports to the Audit Committee.

k. There are no shares lying in Demat Suspense account/ unclaimed suspense account.

l. 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. Gaurav Bhandari, Chief Executive Officer 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.

For Monarch Network Capital Limited

Vaibhav Shah
Managing Director

Place: Ahmedabad
Date: 23rd August, 2023

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, Gaurav Bhandari, Chief Executive Officer 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, 2023.

For Monarch Network Capital Limited

Gaurav Bhandari
Chief Executive Officer

Place: Ahmedabad
Date: 23rd August, 2023

ANNEXURE B

Sr No.	Details of the case	Observation summary	Name of Statutory Authority	Strictures/ Penalties imposed/ Further action
1	Inspection of books of accounts, other records and documents for the period FY 2016-2017	Funds raised by pledging client securities not used for respective clients' obligation.	BSE	Monetary Penalty of ₹ 100,000/-
2	Non-compliance and synchronized trading in stock "Sanwaria Agro Oil Ltd" during the period March to May 2010	Trades executed through Pro trading accounts in Monarch Research and Monarch Project in stock "Sanwaria Agro" during the period March to May 2020	SEBI	Monetary Penalty of ₹ 600,000/- (3 lacs each on Monarch Research & Monarch Project)
3	Inspection of books of accounts, other records and documents for the period FY 2017-18	1. Segregation of client Funds 2. DP observations	SEBI	Monetary Penalty of ₹ 9,00,000/-
4	Tijaria Poly Trading by client on IPO listing day	DP Violations	SEBI	Monetary Penalty of ₹ 1,00,000/- vide order no. Order/SBM/VS/2021-22/14706 dated 31/12/2021
5	Offsite Inspection of books of accounts, other records and documents for the period March 2021	Holding reconciliation mismatch found in the holding statement submitted to the exchange for date 23 rd March 2021 as holding of 25 th March, 2021 copied on the holding of 23 rd March 2021 and due to spread of corona virus spread could not be reconciled before submitting to exchanges	NSE	Monetary Penalty of ₹ 1,00,000/-
6	Offsite Inspection of books of accounts, other records and documents for the period March 2021	Holding reconciliation mismatch found in the holding statement submitted to the exchange for date 29 th May 2021 as holding of 28 th May, 2021 copied on the holding of 29 th May 2021 and due to spread of corona virus spread could not be reconciled before submitting to exchanges	NSE	Monetary Penalty of ₹ 1,00,000/-
7	Offsite Inspection of books of accounts, other records and documents for the period March 2022	In weekly cash and cash collateral submission to exchanges for 4 th February, 2022, pending chq was not captured but in margin reporting same was considered	NSE	Monetary Penalty of ₹ 1,00,000/-
8	Offsite Inspection of books of accounts, other records and documents for the period March 2022	Bank reconciliation not done value wise for one of HDFC bank account which was tagged as client bank account	NSE	Monetary Penalty of ₹ 1,00,000/-
9	Offsite Inspection of books of accounts, other records and documents for the period March 2022	Holding reconciliation mismatch found in the holding statement submitted to the exchange for date 15 th October, 2022 as wrong ISIN details were submitted to exchanges due to back office error	NSE	Monetary Penalty of ₹ 1,00,000/-

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of MONARCH NETWORK CAPITAL LIMITED

We have examined the compliance of conditions of Corporate Governance by Monarch Network Capital Limited, for the year ended on 31st March 2023, 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

Sd/-

Vijay Kumar Mishra

Practising Company Secretary

M. No. F-5023, C.P. No.4279

UDIN NO.: F005023E000372711

Place : Mumbai
Date: 25th May, 2023

CERTIFICATE UNDER REGULATION 34(3) OF SEBI LISTING REGULATIONS

We have examined the relevant records, registers, forms, and documents of Monarch Network Capital Limited (the company), having CIN L65920GJ1993PLC120014 and registered office at Unit No. 803-804A, 8th Floor, X-Change Plaza, Block No. 53, Zone 5, Road- 5E, Gift City, Gandhinagar -382355, Gujarat, maintained and produced before us, and the records available in public domain, for the year ended on 31st March, 2023 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

Sd/-

Vijay Kumar Mishra

Practising Company Secretary

M. No. F-5023, C.P. No.4279

UDIN NO.: F005023E000372720

Place : Mumbai

Date: 25th May, 2023

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

To

The Board of Directors

Monarch Network Capital Limited

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2023 and that to the best of our knowledge and belief;
 - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - 1) Significant changes in internal control over financial reporting during the year.
 - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Monarch Network Capital Limited

Gaurav Bhandari
Chief Executive Officer

Date: 25th May, 2023

Hetvi Gandhi
Chief Financial Officer

Date: 25th May, 2023

ANNEXURE – V

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:

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. The Company has social values ingrained into its culture and manner of working. 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 CSR Vision of the Company is to build relationships of trust with local communities, society and stakeholders as good corporate citizens and to contribute to developing a sustainable society for future generations. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which it operates.

2. The Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Vaibhav Shah	Chairman/ Managing Director	3	3
2	Ms. Manju Bafna	Member/ Whole-Time Director	3	3
3	Mr. Chetan Bohra	Member/ Non Executive Independent Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<https://www.mnclgroup.com/investor-relation/investor-relation-policy>

4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable

6. Average net profit of the company for last three Financial Years: ₹ 32,39,33,637/-

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 64,78,673/-

(b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: ₹ 45,21,315/-

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 19,57,358/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
64,78,673	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil
(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation-Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number
1.	Contribution towards promoting education	Promoting Education, Health, Livelihoods and Rural and Urban infrastructure, promoting health	Yes	Gujarat	Gandhinagar	45,21,315	No	Jain Internation Trade Organisation (Jito)	CSR00006170
2.	Contribution towards promoting education & health	Promoting Education, Health, Livelihoods and Rural and Urban infrastructure, promoting health	No	Maharashtra	Mumbai	1,00,000	No	Rugna Seva Mandal	CSR00012610
3.	Contribution towards Livelihoods	Promoting Education, Health, Livelihoods and Rural and Urban infrastructure, promoting health	Yes	Gujarat	Ahmedabad	11,00,000	No	Jain Alert Charitable Trust	CSR00006348
4	Contribution towards promoting healthcare	Promoting Education, Health, Livelihoods and Rural and Urban infrastructure, promoting health	No	Rajasthan	Bhilwada	7,57,358	No	Dr Brijmohan Sapoot Kala Sanskriti Sewa Sansthan	CSR00024992
Total						64,78,673			

(d) Amount spent in Administrative Overheads: Nil
(e) Amount spent on Impact Assessment, if applicable: Not applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 64,78,673/-

(g) Excess amount for set off, if any:

Sl. No	Particulars	Amount (₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	64,78,673/-
(ii)	Total amount spent for the Financial Year	64,78,673/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial	-
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	-

9. **(a) Details of Unspent CSR amount for the preceding three financial years:** Not applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not applicable
10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year(asset-wise details) :** Not applicable
11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):** Not applicable

For Monarch Network Capital Limited

Place: Ahmedabad
Date: 23rd August, 2023

Vaibhav Shah
 Chairman CSR Committee & Managing Director

Chetan Bohra
 Member CSR Committee

ANNEXURE – VI

FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Member,
Monarch Network Capital Limited
Unit No. 803-804A, 8th Floor,
X-Change Plaza, Block No. 53, Zone 5,
Road- 5E, Gift City,
Gandhinagar -382355, Gujarat.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “MONARCH NETWORK CAPITAL LIMITED” (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 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, 2023 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 (SEBI Act).
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 –On February 04, 2023, The Company has converted 28,20,000 Equity shares of face value of ₹ 10/- each (Rupees Ten Only) pursuant to conversion of 29,90,000 Fully Convertible Warrants at an issue price of ₹ 72/- each (Rupees Seventy Two Only) by way of preferential allotment on a private placement basis to the persons belonging to Non-Promoter Category and remaining 1,70,000 Warrants were cancelled by the Company due to non-subscription by the Warrant-holder(s) within the prescribed time;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - During the year under review, Company has granted 5,00,000 option to employees under ESOP Scheme;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable to the Company during the Audit period;
 - (f) The Securities and Exchange Board of India (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 to the Company during the Audit period;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable to the Company during the Audit period;
 - (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Not Applicable to the Company during the Audit period.
5. Other Laws applicable to the Company ;
- i. The Payment of Wages Act, 1936.
 - ii. The Minimum Wages Act, 1948.
 - iii. The Employee Provident Fund and Miscellaneous Provisions Act, 1952.
 - iv. The Payment of Gratuity Act, 1972.
 - v. The Bombay Shops and Establishments Act, 1948.
 - vi. The Maharashtra Labour Welfare Fund Act, 1953.
6. We have relied on the representation made by the Company and its officer and compliance mechanism prevailing in the Company and on examination of documents on test check basis for compliance of the following specific laws to the extent applicable.
- (a) The Securities and Exchange Board of India (Stockbrokers and Sub-brokers) Regulations, 1992 and Rules, Regulations and Bye-laws of Stock Exchanges;
 - (b) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 effective from 16 January, 2020;
 - (c) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
 - (d) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;
 - (e) Pension Fund Regulatory and Development Authority Regulations, 2018.

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.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

During the year, Mr. Tarak Shah, Chief Financial Officer of the company resigned w.e.f. 10th August, 2022. Mrs. Hetvi Gandhi has been appointed as Chief Financial Officer of the Company w.e.f. 11th August, 2022 and has resigned on 25th May, 2023.

- 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.

This report is to be read with the Annexure which forms an integral part of this report.

For VKM & Associates
Practicing Company Secretary

Sd/-
(Vijay Kumar Mishra)

Partner
FCS No. 5023
C P No.: 4279
UDIN No. : F005023E000372698
PR: 1846/2022

Place: Mumbai
Date: 25th May, 2023

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

“ANNEXURE A”

To,
The Members,
Monarch Network Capital Limited
Unit No. 803-804A, 8th Floor,
X-Change Plaza, Block No. 53, Zone 5,
Road- 5E, Gift City,
Gandhinagar -382355, Gujarat.

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

For VKM & Associates
Practicing Company Secretary

Sd/-
(Vijay Kumar Mishra)
Partner
FCS No. 5023
C P No.: 4279
UDIN No. : F005023E000372698
PR: 1846/2022

Place: Mumbai
Date: 25th May, 2023

INDEPENDENT AUDITOR'S REPORT

To,
 The Members of,
Monarch Network Capital Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **MONARCH NETWORK CAPITAL LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive income, statement of cash flows, and the Statement of Changes in Equity for the year then ended 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, 2023, 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 there under, 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. 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.	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 identified IT applications, databases and operating systems, for the areas which are relevant to our audit. Sample verification of the key transactions was carried out to verify the effectiveness of the IT environment in the company. ✓ Obtained understanding of IT infrastructure i.e. operating systems and databases supporting the identified systems and related data security controls in relation to large number of users working on the entity's systems remotely in the light of COVID-19;

Key audit matters	How the matter was addressed in our Audit
Further, the prevailing COVID-19 situation has caused the required IT applications to be made accessible to the employees on a remote basis.	✓ 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.
Expected credit loss allowances 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. The most significant areas are loan staging criteria, calculation of probability of default / loss and consideration of probability weighted scenarios and forward-looking macroeconomic factors. 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. <i>As per management opinion, there is no expected credit loss in several financial assets including the trade receivables and other financial assets of the Company and all are on fair value, based on the assessment and judgement made by the board of the company.</i>	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 evaluated management's process and tested key controls around the determination of extent of requirement of expected credit loss allowances, including recovery process & controls implemented in the company for trade receivables and other financial assets. It was explained to us by the management that the control exists relating to the recovery of receivables, including those aging for large periods and in the opinion of the board there is no requirement making expected credit loss allowance. ✓ We have also reviewed the management response and representation on recovery process initiated for sample receivables, and based on the same we have place reliance on these key controls for the purposes of our audit.
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; ✓ Discussed with the management about 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 ✓ Accordingly based on the projected business plan made by the management, for the purpose of recognition of deferred tax assets in the financial statements, the assets provisions seems to be reasonable.

Key audit matters	How the matter was addressed in our Audit
Investment and Loans to group companies The Company has investments in group company and associates 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 discussion with the management; and ✓ Obtained independent confirmations to ensure completeness and existence of loans and advances held by related parties as on reporting date.
Balances of Various Financial Assets and Liabilities Refer Note No. 49 to the financial statements which describes that the balance of Receivables and Payables, including Trade Receivables, loans, deposits & advances given as well as taken, payable to vendors, etc, are subject to confirmation and consequent reconciliation and adjustments, if any. Hence, the effect thereof, on Profit/ Loss, Assets and Liabilities, if any, is not ascertainable.	We evaluated the management procedure and tested key controls employed by the management to review over the reconciliation and recoverability of the long outstanding assets and payability of long outstanding liabilities. Based on the explanations and representations provided by the management, it was explained to us that the Board is carrying out a regular review of balances of all outstanding assets and liabilities, based on the formal/ informal arrangements with the respective parties involved. As per their opinion, there will be no substantial impact on their reconciliation with their balance confirmations. Based on the same we have place reliance on these key controls for the purposes of our audit.
INFORMATION OTHER THAN THE STANDALONE 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 standalone 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 including the Statement of Other Comprehensive income, the Cash Flow Statement and Statement of Changes in Equity 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 Indian Accounting Standards prescribed under Section 133 of the Act
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2023 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) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) 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 financial position, other than those mentioned in Note 39 to 41 (Contingent Liabilities) 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 been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- e. As stated in Note 15(d) to the standalone financial statements
- (i) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (ii) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Amit Saklecha
(Partner)
M. No.: 401133
UDIN: 23401133BGZEDL7848

Place: Mumbai
Date: May 25, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(I) IN RESPECT OF ITS PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES ASSETS:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for

holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(II) IN RESPECT OF ITS INVENTORIES

- (a) Inventory represents securities (in Demat form) 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. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. As represented by the company, no discrepancies were noticed on verification of inventories by the management as compared to book records.
- (b) As disclosed in note 72 to the standalone financial statements and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the audited/ unaudited books of account of the Company.

(III) IN RESPECT OF INVESTMENTS MADE IN, ANY GUARANTEE OR SECURITY PROVIDED OR ANY LOANS OR ADVANCES IN THE NATURE OF LOANS GRANTED, SECURED OR UNSECURED, TO COMPANIES, FIRMS, LIMITED LIABILITY PARTNERSHIPS OR ANY OTHER PARTIES

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year

except. The company has granted loans to the parties during the year, details of the loan is stated in sub-clause (a) below.

- (a) During the year the Company has provided loans to other entities, as follows:

(Amount in ₹ in lakhs)		
Loan Provided	Subsidiary, JV & Associate	Others
A. Aggregate amount granted/ provided during the year	1.05	6,780.65
B. Balance outstanding as at balance sheet date in respect of above cases	2.72	9,890.38

- (b) During the year, the terms and conditions of the investment made and grant of all loans to the parties are not prejudicial to the Company's interest.

During the year the Company has not provided guarantees, given security and granted advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on these is not applicable to the Company.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given or advances granted in the nature of loans, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no loans or advances

in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

- (f) The Company has granted loans or advances in the nature of loans repayable on demand to parties. Of these following are the details of the aggregate amount of loans granted to promoters or related parties as defined in clause (76) of Section 2 of the Companies Act, 2013, as per disclosure made in Note 59 to the Standalone financial statements:

(Amount in ₹ in lakhs)		
Loans	All Parties	Related Parties
Aggregate amount of loans repayable on demand	9,893.09	2.72
Percentage of loans to the total loans	100.00%	0.03%

- (iv) 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.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts, 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, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/ or services provided by it). Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the company.

(VII) IN RESPECT OF STATUTORY DUES:

- (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 1, 2017, these statutory dues have been subsumed into Goods and Services Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident fund, Employees' State

Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were outstanding as on the last day of the financial year, for a period of more than six months from the date they became payable, except those disclosed below:

Name of the statute	Nature of the Dues	Amount (in Rupees)	Period to which the amount relates	Due Date	Date of Payment
Tamilnadu Professional Tax Act	Professional Tax	53,846	2021-2023	Multiple	Unpaid as at March 31, 2023
Odisha Professional Tax Act	Professional Tax	1,200	2020-2021	Multiple	Unpaid as at March 31, 2023
		2,075	2019-2020		
		2,625	2018-2019		

- (b) According to the information and explanations given to us, there are no statutory dues relating to Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise or Cess or other statutory dues, which have not been deposited on account of any dispute, **except those disclosed below:**

Name of Statue	Amount (₹ in lakhs)	Period to which the amount related	Forum where dispute Pending
Service Tax	15.14	F.Y.2002-03 to F.Y.2006-07	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
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 ₹ 75.69 lakhs; Rectification Applied: ₹ 45.21 lakhs

Name of Statute	Amount (₹ in lakhs)	Period to which the amount related	Forum where dispute Pending
Income Tax	1.96	A.Y. 2016-17	Appeal Field against Assessing Office Order
Income Tax	45.21	A.Y. 2011-12	First Appellate Authority
Income Tax	75.39	A.Y. 2013-14	Appeal Field against Order us 147
Income Tax	166.74	A.Y. 2014-15	Appeal Field against Order us 147
Income Tax	328.99	A.Y. 2015-16	Appeal Field against Order us 147
Income Tax	2.83	A.Y. 2017-18	Appeal Field against Order us 147
Income Tax	74.41	A.Y. 2019-20	Intimation order 143(1)

(includes the dues pertaining to Monarch Network Comtrade Limited, since merged with Company)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared as a willful defaulter by any bank or financial institution or government or any government authority during the year.
- (c) According to the information and explanations given to us and on the basis of our overall examination of the standalone financial statements of the Company, the term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes during the year by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the company.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has complied with the requirements of section 42 and section 62 of the Companies Act, 2013, in respect of the preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) made during the year and the funds raised have been prima facie used for the purposes for which the funds were raised.

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report
- (c) We have taken into consideration the whistle-blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a nidhi Company. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the 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 notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further

state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due

(b) In respect of ongoing projects, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section (6) of Section 135 of Companies Act.

(xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable for the year.

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

Amit Saklecha
(Partner)
M. No.: 401133
UDIN: 23401133BGZEDL7848

Place: Mumbai
Date: May 25, 2023

ANNEXURE B TO AUDITORS' REPORT

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **MONARCH NETWORK CAPITAL LIMITED** ("the Company") as of March 31, 2023 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, 2023, 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

Amit Saklecha
(Partner)
M. No.: 401133
UDIN: 23401133BGZEDL7848

Place: Mumbai
Date: May 25, 2023

STANDALONE STATEMENT OF BALANCE SHEET

as on March 31, 2023

(Currency: Indian Rupees in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property Plant and Equipment	2	797.42	505.18
Intangible Assets	3	2.19	2.19
Financial assets			
- Investments	4	3,991.79	2,697.76
- Other Financial Assets	5	1,364.42	1,419.19
Deferred tax assets (Net)	6	109.47	118.68
Non-current Tax Assets (Net)	7	313.49	202.80
Total Non Current Assets		6,578.77	4,945.79
Current assets			
Inventories	8	1,336.64	1,043.32
Financial assets			
- Trade Receivables	9	4,231.98	4,144.74
- Cash and cash equivalents	10	2,454.32	8,661.57
- Balances other than Cash and cash equivalents	11	34,571.46	41,011.40
- Loans	12	9,890.38	3,109.72
- Other Financial Assets	13	2.72	276.67
Non Financial assets			
- Other Non-Financial Assets	14	321.23	481.82
Total Current Assets		52,808.72	58,729.24
Total Assets		59,387.49	63,675.04
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	15	3,386.95	3,104.95
Other equity	16	17,637.21	12,932.39
Total Equity		21,024.16	16,037.34
Non-current liabilities			
Financial liabilities			
- Borrowings	17	35.26	61.44
Non-Financial liabilities			
- Provisions	18	225.11	203.19
Total Non Current Liabilities		260.36	264.63
Current liabilities			
Financial liabilities			
- Borrowings	19	56.04	1,447.59
- Trade payables	20	32,476.47	41,280.79
- Other financial Liabilites	21	5,287.63	4,280.80
Non-Financial liabilities			
- Current Tax Liabilities (Net)	22	62.45	78.80
- Provisions	23	142.35	80.33
- Other non-financial Liabilites	24	78.02	204.77
Total Current Liabilities		38,102.96	47,373.06
TOTAL Liabilities		59,387.49	63,675.04

Significant Accounting Policies

Notes to the financial statements

Notes referred above form an integral part of the financial statements.

As per our Report of even date

For **PAREKH SHAH & LODHA**

Chartered Accountants
(Firm Reg. No. 107487W)

Amit Saklecha

(Partner)
M.No. 401133
UDIN: 23401133BGZEDL7848

Place: Mumbai
Date: May 25, 2023

For and on behalf of the Board

Vaibhav Shah

(Managing Director)
Din: 00572666

Hetvi Gandhi

(Chief Financial Officer)

Place : Ahmedabad
Date: May 25, 2023

Manju Bafna

(Whole-Time Director)
Din: 01459885

Rupali Verma

(Company Secretary)
ICSI Member. No: A42923

Place : Ahmedabad
Date: May 25, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

as on March 31, 2023

(Currency: Indian Rupees in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
INCOME			
Revenue From Operations	25		
(a) Interest Income		4,515.52	3,233.36
(b) Fees and Commission Income		7,951.69	9,001.33
(c) Merchant banking and other services		1,844.90	825.50
(d) Asset Management Services		217.88	695.76
Total Revenue From Operations		14,529.99	13,755.94
Other Incomes	26		
(a) Profit & Loss on sale of securities		437.76	903.98
(b) Other Income		159.65	39.06
Total Income		15,127.40	14,698.99
EXPENSES			
Employee benefit expenses	27	4,895.85	3,358.72
Fees and commission expenses	28	2,157.28	2,494.70
Finance Costs	29	733.29	205.27
Depreciation & Amortization Expenses	2	112.40	99.15
Other Expenses	30	2,507.90	1,936.95
Total Expenses		10,406.73	8,094.80
Profit Before Exceptional Items, Extraordinary Items and Tax		4,720.67	6,604.19
Less: Prior Period expenses		(0.22)	6.70
Less: Extraordinary Items		-	(34.37)
Profit Before Tax		4,720.45	6,576.52
Tax Expenses			
Current Tax		1,210.62	1,622.66
Deferred tax		8.16	25.48
Taxes for earlier years		17.87	27.55
MAT Receivable		-	25.92
Total Tax Expenses		1,236.64	1,701.60
Profit for the Year (After Tax)		3,483.81	4,874.92
Other Comprehensive Income	31		
Items that will not be reclassified to profit or loss			
(i) Remeasurement gain/losses on defined benefit plans		4.18	(10.82)
(ii) Equity Instruments through other comprehensive Income		(21.91)	386.28
(iii) Income tax related to items that will not be reclassified to profit or loss		(1.05)	2.72
Total Comprehensive Income for the year		3,465.03	5,253.10
Earnings Per equity share of face value of ₹ 10 each			
Basic (in ₹)	32	10.23	16.92
Diluted (in ₹)	32	10.23	15.43

Significant Accounting Policies

Notes to the financial statements

2 to 79

Notes referred above form an integral part of the financial statements.

As per our Report of even dateFor **PAREKH SHAH & LODHA**Chartered Accountants
(Firm Reg. No. 107487W)**Amit Saklecha**(Partner)
M.No. 401133
UDIN: 23401133BGZEDL7848Place: Mumbai
Date: May 25, 2023**For and on behalf of the Board****Vaibhav Shah**(Managing Director)
Din: 00572666**Hetvi Gandhi**

(Chief Financial Officer)

Place : Ahmedabad
Date: May 25, 2023**Manju Bafna**(Whole-Time Director)
Din: 01459885**Rupali Verma**(Company Secretary)
ICSI Member. No: A42923Place : Ahmedabad
Date: May 25, 2023

CASH FLOW STATEMENT

for the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash flow from operating activities		
Profit before tax from continuing operations	4,720.45	6,576.52
Profit/(loss) before tax from discontinued operations		
Profit before tax	4,720.45	6,576.52
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and amortisation	112.40	99.15
Finance cost	733.29	205.27
Other Interest incomes	(103.64)	(0.22)
Dividend Income	(7.35)	(5.13)
(Profit) / loss on sale of fixed assets	-	(0.43)
Bad debt written off	-	34.37
Remeasurements of the defined benefit plans	4.18	(10.82)
	5,459.34	6,898.71
Working capital adjustments		
Inventories	(293.32)	(773.21)
Trade receivables	(87.23)	(1,373.82)
Balances other than Cash and cash equivalents	6,439.94	(13,289.19)
Loans	(6,780.65)	(1,135.65)
Other Financial Assets	275.00	(275.00)
Other Non-Financial Assets	160.59	(61.39)
	-	-
Trade payables	(8,804.32)	13,600.60
Provisions	83.94	29.75
Other financial liabilities	1,006.84	2,815.81
Other non-financial Liabilities	(126.75)	81.09
	(2,666.63)	6,517.70
Income Tax paid	(1,355.54)	(1,705.06)
Net cash flows from operating activities	(4,022.16)	4,812.65
Cash flow from investing activities		
Payment for purchase and construction of property, plant and equipment (Net of proceeds from sales)	(404.64)	(166.36)
Proceeds from sale of Investments	(1,315.93)	(0.00)
Other Interest incomes	103.64	0.22
Dividend Income	7.35	5.13

CASH FLOW STATEMENT

for the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Proceeds /(Repayment) of Other Non Current Financial Assets	54.77	118.23
Proceeds /(Repayment) of loans & advances to related parties	(1.05)	(0.15)
Net cash flows from investing activities	(1,555.86)	(42.93)
Cash flow from financing activities		
Proceeds from issue of share capital & Others	1,521.79	-
Proceeds from issue of Share Warrants	-	538.20
Proceeds /(Repayment) of borrowings from banks/ FI	(1,417.73)	1,346.46
Proceeds /(Repayment) of borrowings from others	-	-
Dividend Paid	-	(310.50)
Finance charges paid	(733.29)	(205.27)
Net cash flows from financing activities	(629.23)	1,368.90
Net increase / (decrease) in cash and cash equivalents	(6,207)	6,139
Cash and cash equivalents at the beginning of the year	8,661.57	2,522.95
Effect of exchanges rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	2,454.32	8,661.57
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	2,454.32	8,661.57
Cash and Cash equivalents as restated as at the year end	2,454.32	8,661.57

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 dateFor **PAREKH SHAH & LODHA**Chartered Accountants
(Firm Reg. No. 107487W)**Amit Saklecha**(Partner)
M.No. 401133
UDIN: 23401133BGZEDL7848Place: Mumbai
Date: May 25, 2023**For and on behalf of the Board****Vaibhav Shah**(Managing Director)
Din: 00572666**Hetvi Gandhi**

(Chief Financial Officer)

Place : Ahmedabad
Date: May 25, 2023**Manju Bafna**(Whole-Time Director)
Din: 01459885**Rupali Verma**(Company Secretary)
ICSI Member. No: A42923Place : Ahmedabad
Date: May 25, 2023

STATEMENT OF CHANGES IN EQUITY

(A) EQUITY SHARE CAPITAL

(Currency: Indian Rupees in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	3,10,49,518	3,104.95	3,10,49,518	3,104.95
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	3,10,49,518	3,104.95	3,10,49,518	3,104.95
Changes in equity share capital during the year	28,20,000	282.00	-	-
Balance at the end of the reporting period	3,38,69,518	3,386.95	3,10,49,518	3,104.95

(B) OTHER EQUITY

Particulars	Reserves & Surplus					Other comprehensive income		Total
	Capital Reserve	Securities Premium	Share Warrant	Retained earnings	Share Based Payment Reserve	Remeasurements of the net defined benefit Plans	Fair valuation of investments in equity shares	
Balance at March 31, 2021	151.64	3,475.69	-	3,783.96	-	(9.49)	49.79	7,451.58
Profit for the year	-	-	-	4,874.92	-	-	-	4,874.92
Other comprehensive income for the year	-	-	-	-	-	(8.10)	386.28	378.18
Dividend Declared during the year	-	-	-	(310.50)	-	-	-	(310.50)
Share Warrants issued during the Year	-	-	538.20	-	-	-	-	538.20
Total additions for the year	-	-	538.20	4,564.43	-	(8.10)	386.28	5,480.81
Balance at March 31, 2022	151.64	3,475.69	538.20	8,348.39	-	(17.59)	436.07	12,932.39
Profit for the year	-	-	-	3,483.81	-	-	-	3,483.81
Other comprehensive income for the year	-	-	-	-	-	3.13	(21.91)	(18.78)
Dividend Declared during the year	-	-	-	(310.50)	-	-	-	(310.50)
Share Warrants converted to equity shares	30.60	1,748.40	(538.20)	-	-	-	-	1,240.80
Employee Compensation Expenses recognised during the year	-	-	-	-	309.49	-	-	309.49
Total additions for the year	30.60	1,748.40	(538.20)	3,173.31	309.49	3.13	(21.91)	4,704.82
Balance at March 31, 2023	182.24	5,224.09	-	11,521.70	309.49	(14.46)	414.16	17,637.21

As per our Report of even date

For **PAREKH SHAH & LODHA**

Chartered Accountants
(Firm Reg. No. 107487W)

Amit Saklecha

(Partner)

M.No. 401133

UDIN: 23401133BGZEDL7848

Place: Mumbai

Date: May 25, 2023

For and on behalf of the Board

Vaibhav Shah

(Managing Director)

Din: 00572666

Hetvi Gandhi

(Chief Financial Officer)

Manju Bafna

(Whole-Time Director)

Din: 01459885

Rupali Verma

(Company Secretary)

ICSI Member. No: A42923

Place : Ahmedabad

Date: May 25, 2023

Place : Ahmedabad

Date: May 25, 2023

Notes to Standalone Financial Statements

for the year ended March 31, 2023

1.1 COMPANY INFORMATION

Monarch Network 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 Network 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 Depository 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

1.2 BASIS OF PREPARATION

1.2.1 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.

1.2.2 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

1.2.3 Functional and presentation currency:

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

1.2.4 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.

1.2.5 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 recognised on quarterly/yearly basis considering registration/

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for the year ended March 31, 2023

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.

1.2.6 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 items less 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 for use, 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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

reviewed at each financial year end and adjusted prospectively, if appropriate.

1.2.7 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 amortised in 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.

1.2.8 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.

1.2.9 Leases- Company as a lessee

Policy applicable with effect from April 1, 2019

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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- ✓ the contract involves the use of an identified asset;
- ✓ the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- ✓ the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate standalone price of the non-lease components.

The Company recognised right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any re measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian

Notes to Standalone Financial Statements

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Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

Company as a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly the entire risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

On transition, the Company has applied following practical expedients:

- ✓ Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.
- ✓ Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.
- ✓ Excluded the initial direct costs from the measurement of the right-of -use-asset at the date of transition.
- ✓ Grandfathered the assessment of which transactions are, or contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified

as leases under Ind AS 17. Relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review.

- ✓ Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, the Company carried out a test of lease liability measured at the present value of the remaining lease payments. Based on the analysis of the management, the board is of the opinion that there is no significant impact of the application of provision on the financial statements of the company.

1.2.10 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.

1.2.11 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:

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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).

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.

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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 Ind AS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

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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.

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.

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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.

12.12 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

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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 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.

1.2.13 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.

1.2.14 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.

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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.

1.2.15 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.

1.2.16 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".

1.2.17 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.

1.2.18 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

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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.

12.19 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.

12.20 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 judgments 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 judgment 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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.

Share based payments

Estimating fair value for share based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

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.

1.2.21 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.

1.2.22 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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.

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 Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 2: PROPERTY, PLANT & EQUIPMENT

Description	Air Conditioners	Computer Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Buildings (leasehold Improvement)	Office Premises	Total
Gross Carrying Amount								
As at April 1, 2021 (A)	87.37	391.37	124.24	216.09	110.54	-	-	929.60
Additions	0.26	80.40	-	-	16.35	13.51	-	110.51
Deletions	0.51	3.59	-	-	1.91	-	-	6.01
As at March 31, 2022 (B)	87.12	468.18	124.24	216.09	124.98	13.51	-	1,034.11
Additions	2.17	96.71	0.17	22.86	22.67	63.13	196.97	404.67
Deletions	-	0.70	-	-	-	-	-	0.70
As at March 31, 2023 (C)	89.29	564.18	124.41	238.95	147.65	76.63	196.97	1,241.12
Accumulated Depreciation								
As at April 1, 2021 (D)	27.57	251.00	53.00	46.01	57.55	-	-	435.12
Depreciation for the period	16.21	37.04	8.63	21.38	15.86	0.04	-	99.15
Deletions	0.49	3.28	-	-	1.57	-	-	5.34
As at March 31, 2022 (E)	43.29	284.75	61.63	67.39	71.84	0.04	-	528.93
Depreciation for the period	15.90	45.60	8.35	20.36	15.87	3.53	2.78	112.40
Deletions	-	0.67	-	-	-	-	-	0.67
As at March 31, 2023 (F)	59.19	329.69	69.99	87.75	87.71	3.57	2.78	640.67
Net Block								
As at March 31, 2022 (B) - (E)	43.83	183.42	62.61	148.70	53.14	13.47	-	505.18
As at March 31, 2023 (C) - (F)	30.10	234.49	54.43	151.21	60.94	72.06	194.18	797.42

Notes:

1. Title deeds of Immovable Properties not held in name of the Company

The Company do not have any immovable properties where title deeds are not held in the name of the company.

2. Revaluation of PPE

Since the company has not carried out any revaluation of its Property, Plant and Equipment (including Right-of-Use Assets) held by the company during the year, the requirement of disclosure regarding any revaluation of the same is not applicable to the company.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE: 3 INTANGIBLE ASSETS

Description	Computer Softwares
Gross Carrying Amount	
As at April 1, 2021 (A)	11.42
Additions	-
Deletions	-
As at March 31, 2022 (B)	11.42
Additions	-
Deletions	-
As at March 31, 2023 (C)	11.42
Accumulated Depreciation	
As at April 1, 2021 (D)	9.24
Amortisation for the period	
Deletions	
As at March 31, 2022 (E)	9.24
Amortisation for the period	-
Deletions	-
As at March 31, 2023 (F)	9.24
Net Block	
As at March 31, 2022 (B) - (E)	2.19
As at March 31, 2023 (C) - (F)	2.19

Notes:

1. Revaluation of Intangible assets

Since the company has not carried out any revaluation of its intangible assets held by the company during the year, the requirement of disclosure regarding any revaluation of the same is not applicable to the company.

NOTE 4: NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
A. Investment in other equity instruments measured at Fair Value through Profit or Loss (Quoted)		
- Sadbhav Engineering Limited (1,310 (Previous year: 1,310)) equity shares of ₹ 10 each, fully paid up)	0.35	0.35
- Unistar Multimedia Limited (0 (Previous Year: 7,74,262)) equity shares of ₹ 10 each, fully paid up)	-	104.91
-Bombay Stock Exchange Limited- (13,329 (Previous year:13,329)) equity shares of ₹ 2 each, fully paid up)	125.83	125.83
- Deep Industries Limited (3,00,000 (Previous Year:0)) equity shares of ₹ 10 each, fully paid up)	684.30	-
- Rattanpower India Limited (2,29,000 (Previous year: 2,29,000)) equity shares of ₹ 10 each, fully paid up)	12.21	12.21
	822.68	243.29

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
B. Investment in Mutual/Other Funds (Quoted)		
- Monarch Network Capital Limited Compounder Fund	529.96	815.32
- Monarch Network Capital Limited Compounder Fund AIF - I	1,000.00	-
	1,529.96	815.32
Total Quoted Investemens (A+B)	2,352.64	1,058.61
C. Investment in equity of subsidiaries (Unquoted, fully paid-up)		
- Monarch Network Finserve Private Limited (96,66,666 (Previous year: 96,66,666) Equity Shares of ₹ 10 each fully paid up)	1,429.22	1,429.22
- Monarch Network Capital IFSC Private Limited (49,999 (Previous year: 49,999) Equity Shares of ₹ 10 each fully paid up)	5.00	5.00
- Monarch Network Money Changer Private Limited (5,00,000 (Previous year: 5,00,000) Equity Shares of ₹ 10 each fully paid up)	50.00	50.00
- Monarch Network Investment Advisory Private Limited (5,99,900 (Previous year: 5,99,900) Equity Shares of ₹ 10 each fully paid up)	59.99	59.99
	1,544.21	1,544.21
D. Investment in Associate Company (Unquoted-fully paid-up)		
Investment in Network Financial Service Limited (9,49,400 (Previous year: 9,49,400) equity shares of ₹ 10 each, fully paid up)	94.94	94.94
	94.94	94.94
Total Unquoted Invesetment in equity of Subsidiaries and Associate (C+D)	1,639.15	1,639.15
TOTAL INVESTMENTS	3,991.79	2,697.76
Aggregate amount of quoted investments and market value thereof	2,352.64	1,058.61
Aggregate amount of unquoted investments	1,639.15	1,639.15
	3,991.79	2,697.76

NOTE 5: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured considered good unless stated otherwise :		
a. Security Deposits		
Deposit with Stock Exchange & Financial Institutions*	265.05	270.85
b. Other Deposits		
Deposits for Arbitration/Assessment Order**	252.36	270.07
Deposits for Office Premises	838.11	869.29
Deposits for Telephone, VSAT, Electricity etc.	8.89	8.97
Total	1,364.42	1,419.19

*The deposits are kept with Stock Exchanges as Security deposits and minimum base capital requirements.

**Represent amount withheld by stock exchanges or related authorities for cases filed by customers/creditors that are under arbitration

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 6: DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
The movement on the deferred tax account is as follows:		
At the start of the year	118.68	141.43
Charge/(credit) to statement of Profit and Loss	(8.16)	(25.48)
Charge/(credit) to statement of OCI	(1.05)	2.72
At the end of the year	109.47	118.68
Total	109.47	118.68

Note :- Refer note 33 for additional disclosures made on Defferes Tax Assets (Net)

NOTE 7: NON-CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Revenue Authorities (net of provisions)	313.49	202.80
Total	313.49	202.80

NOTE 8: INVENTORIES

Particulars	As at March 31, 2023	As at March 31, 2022
Stock in Trade*	1,336.64	1,043.32
Total	1,336.64	1,043.32

Notes:

*Stock in trade represents shares held as on balance sheet date at valued at fair value being shares held by virtue of acting as a merchant banker and market maker for the acquired equity shares. Balance in vandha & trading error A/c. are basically shares held as a result of Trading Error or Vandha Accounts of clients. In absence of information, disclosure relating quantity has not been given.

NOTE 9: TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables from Stock Broking Activities (Secured)		
- considered good, outstanding for more then six month	382.25	342.72
- considered good, outstanding for less then six month	2,953.22	3,269.95
Total	3,335.47	3,612.68
Other Receivables	896.51	532.07
Total	4,231.98	4,144.74

Notes:

- ✓ 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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

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.

- ✓ The company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 36 : Fair value disclosures
- ✓ 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 other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member
- ✓ Please also refer Note No. 76 for the Trade Receivables Ageing Schedule

NOTE 10: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	2.00	3.41
Balance with Banks in current accounts	2,452.32	8,658.16
Total	2,454.32	8,661.57

Notes:

Bank balances as on March 31, 2023 and as on March 31, 2022 include cheques on hands, which were cleared subsequent to the year end on periodic basis.

NOTE 11: BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits held as margin deposits*	34,423.31	40,366.85
Other Fixed Deposits	148.16	144.55
Investments in Overnight Mutual Funds	-	500.00
Total	34,571.46	41,011.40

Notes:

* Fixed deposits are, under lien with banks towards bank guarantee, or kept as security with Exchanges as margin money/ arbitration matters.

NOTE 12: LOANS

Particulars	As at March 31, 2023	As at March 31, 2022
Loans measured at Amortised Cost		
Margin trading facility	9,890.38	3,109.72
Total	9,890.38	3,109.72

Notes:

* Loans to customers are secured by pledge of Shares/Bonds/Mutual Funds and other allowable securities as per exchange rules.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 13: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables from Subsidiary Companies	2.72	1.67
Receivable towards Exchange Early Payin	-	275.00
Total	2.72	276.67

NOTE 14: OTHER CURRENT NON-FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to Staff	23.97	6.69
Advances to Suppliers	50.92	51.74
Advance to Branches	2.19	2.44
Advance against capital goods	100.00	283.73
Prepaid Expenses	134.18	137.22
Interest accrued but not due FD/Bond	9.97	-
Total	321.23	481.82

NOTE 15: SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
a Authorised :		
Equity Shares of Re. 1/- each		
540,00,000 (Previous year 540,00,000) Equity shares of ₹ 10 each	5,400.00	5,400.00
60,00,000 (Previous Year 60,00,000) Redeemable Preference Shares of ₹ 10 each	600.00	600.00
5,00,000-6% Cumulative Redeemable preference Share of ₹ 100/- each	500.00	500.00
TOTAL	6,500.00	6,500.00
b Issued and Subscribed and Paid up:		
3,38,69,518 (Previous year 3,10,49,518) Equity shares fully paid of ₹ 10 each	3,104.95	3,104.95
Add: Addition during the year 28,20,000 Equity shares	282.00	-
TOTAL	3,386.95	3,104.95
c Reconciliation of number of shares outstanding at the beginning and end of the year :		
Equity share :		
Outstanding at the beginning of the year	310.50	310.50
Add/(Less) : Issued during the year	28.20	-
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	338.70	310.50

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

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.

The Board of Directors, have recommended a Dividend for the financial year ended on 31/03/2023 @ 10% (i.e. ₹ 1/-) per equity share (Previous Year - ₹ 1/-) to the equity shareholders. The Dividend will be paid after the approval of shareholders at ensuing Annual General Meeting. The date of book closure for the entitlement of such dividend and Annual General Meeting shall be decided and informed in due course of time.

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 March 31, 2023		As at March 31, 2022	
	No. of Shares	%	No. of Shares	%
Vaibhav Jayantilal Shah	31,08,815	9.18%	31,08,815	10.01%
Suresh Babulal Bafna	25,12,500	7.42%	25,12,500	8.09%
Bela Himanshu Shah	24,06,000	7.10%	24,06,000	7.75%
Bankim Jayantilal Shah	22,06,000	6.51%	22,06,000	7.10%
Gaurav Bhandari	18,00,000	5.31%	-	0.00%
Suresh P Jain	-	0.00%	16,42,137	5.29%
Care Wealth Advisors LLP	-	0.00%	17,19,463	5.54%

f Details of Shares held by Promoters/ Promoter group at the end of the year

Equity share	As at March 31, 2023		
	No. of Shares	%	% Change during the year
Ashok Daulatraj Bafna	7,03,500	2.08%	0.00%
Bankim Jayantilal Shah	22,06,000	6.51%	0.00%
Bela Himanshu Shah	24,06,000	7.10%	0.00%
Hemangi Bankim Shah	1,00,000	0.30%	0.00%
Himanshu Jayantilal Shah	12,06,000	3.56%	0.00%
Kinnari Vaibhav Shah	12,04,000	3.55%	0.00%
Manju Suresh Bafna	15,62,557	4.61%	1.30%
Shailen Ramesh Shah	7,03,500	2.08%	0.00%
Simandhar Securities Pvt Ltd	14,46,000	4.27%	0.00%
Suresh Babulal Bafna	25,12,500	7.42%	0.00%
Vaibhav Jayantilal Shah	31,08,815	9.18%	0.00%

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Equity share	As at March 31, 2022		
	No. of Shares	%	% Change during the year
Ashok Daulatraj Bafna	7,03,500	2.27%	0.00%
Bankim Jayantilal Shah	22,06,000	7.10%	0.00%
Bela Himanshu Shah	24,06,000	7.75%	0.00%
Hemangi Bankim Shah	1,00,000	0.32%	0.00%
Himanshu Jayantilal Shah	12,06,000	3.88%	0.00%
Kinnari Vaibhav Shah	12,04,000	3.88%	0.00%
Manju Suresh Bafna	15,42,557	4.97%	2.33%
Shailen Ramesh Shah	7,03,500	2.27%	0.00%
Simandhar Securities Pvt Ltd	14,46,000	4.66%	0.00%
Suresh Babulal Bafna	25,12,500	8.09%	0.00%
Vaibhav Jayantilal Shah	31,08,815	10.01%	0.00%

- 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 financial year 2021-2022, the Company has issued 29,90,000 Fully Convertible Warrants to the persons belonging to 'Non-Promoter' category, on a preferential basis, at a issue price of ₹ 72/- per warrant, for an aggregate amount of ₹ 2,152.80 lakhs, entitling them for subscription of equivalent number of fully paid-up Equity Shares of face value of ₹ 10/- each (including premium of ₹ 62/- per Share), under Regulation 28(1) of the SEBI (LODR) Regulations, 2015.

The holder of the warrants are required to exercise the option to subscribe to equity shares of face value of ₹ 10/- each (including premium of ₹ 62/- per share), within a period of 18 months from the date of allotment.

During the year under review, on February 4, 2023 the Company had issued 28,20,000 Equity shares of face value of ₹ 10/- each (Rupees Ten Only) out of 29,90,000 Fully Convertible Warrants as specified above. Rest 1,70,000 Fully Convertible Warrants have been forfeited.

NOTE 16: OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves & Surplus		
Capital reserve - at the beginning of the year	151.64	151.64
Add: Addition during the year	30.60	-
At the end of the year	182.24	151.64
Securities premium reserve - at the beginning of the year	3,475.69	3,475.69
Add: Addition during the year	1,748.40	-
At the end of the year	5,224.09	3,475.69
Money Received against share warrant - at the beginning of the year	538.20	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Add: Addition during the year	1,522.80	538.20
Less: Adjustment during the year (Refer Note 15(h))	(2,061.00)	-
At the end of the year	-	538.20
Share Based Payment Reserve (Refer Note 57)	-	-
Add: Compensation expense recognised during the year	309.49	-
At the end of the year	309.49	-
Retained earnings - at the beginning of the year	8,348.39	3,783.96
Add: Addition during the year	3,483.81	4,874.92
Less: Dividend Declared	(310.50)	(310.50)
At the end of the year	11,521.70	8,348.39
Total Reserves & Surplus	17,237.52	12,513.91
Other comprehensive income		
Remeasurements of the net defined benefit Plans	(17.59)	(9.49)
Add/(Less): Adjustment during the year	3.13	(8.10)
At the end of the year	(14.46)	(17.59)
Fair valuation of investments in equity shares	436.07	49.79
Add/(Less): Adjustment during the year	(21.91)	386.28
At the end of the year	414.16	436.07
Total Other comprehensive income	399.70	418.48
Total Other Equity	17,637.21	12,932.39

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) **Share Based Payment Reserve:** This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by the Company. Once shares are issued by the Company, the amount in this reserve will be transferred to Share capital, Securities premium or retained earnings
- d) **Retained earnings:** Retained earnings represents undistributed profits of the company
- e) **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 Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 17: NON CURRENT BORROWING

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Borrowings		
Vehicle Loans (Non Current Matuities)		
Loan from Kotak Mahindra Prime Limited	7.45	10.93
Loan from Daimler Financial Services India Ltd	11.75	25.18
Loan From BMW India Financial Services Pvt Ltd	16.06	25.34
(Secured against hypothecation of respective vehicles)		
Total	35.26	61.44

NOTE 18: NON CURRENT PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity	225.11	203.19
Total	225.11	203.19

NOTE 19: CURRENT BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Borrowings		
Overdraft from HDFC Bank	-	1,393.57
(Secured against hypothecation of Office premises & Securities, and Personal guarantee of Key Management)		
Current Maturities		
Vehicle Loans (Current Matuities)		
Loan from Kotak Mahindra Prime Limited	3.47	3.24
Loan from Daimler Financial Services India Ltd	13.33	12.22
Loan From BMW India Financial Services Pvt Ltd	9.24	8.55
Unsecured Borrowings	-	-
Loans from shareholders	-	-
- Other than promoter group	30.00	30.00
Total	56.04	1,447.59

Notes:

Please refer Note 62 regarding the carrying amounts of assets pledged as security for borrowings.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 20: TRADE PAYABLE

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payable - Stock Broking	32,280.29	41,177.84
Trade Payable -Expenses	130.68	55.89
Trade Payable -Others	65.50	47.06
Total	32,476.47	41,280.79

Notes:

- Please refer Note 43 -Dues to micro, small and medium enterprises, of the Financial Statements regarding dues to Dues to micro and small enterprises
- Please also refer Note No. 77 for the Trade Payable Ageing Schedule

NOTE 21: OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Salary & Reimbursements	133.66	25.11
Deposits from Clients	4,807.53	3,856.65
Deposits from Business Associates	249.66	254.57
Other Current Liabilities	96.78	144.46
Total	5,287.63	4,280.80

NOTE 22: CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax Payable (net of advance tax/TDS)	62.45	78.80
Total	62.45	78.80

NOTE 23: CURRENT PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Expenses	12.29	28.40
Provision for Gratuity (Current)	34.88	32.36
Provision for CSR	95.18	19.57
Total	142.35	80.33

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 24: OTHER CURRENT NON FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Remittances	77.25	200.88
Advance Brokerage from Client	0.76	3.89
Total	78.02	204.77

NOTE: 25 : REVENUE FROM OPERATIONS

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
(a) Interest Income		
Interest on margin funding	906.31	398.82
Interest on delayed payment	1,513.66	961.11
Interest on fixed deposits under the lien with stock exchanges	2,095.55	1,873.42
	4,515.52	3,233.36
(b) Fees and Commission Income		
Brokerage	7,430.58	8,295.01
Income from depository Operation	232.31	501.90
Income from distribution Operation	180.00	108.37
Other Operating Income	108.80	96.06
	7,951.69	9,001.33
(c) Merchant banking and other services	1,844.90	825.50
(d) Asset Management Services	217.88	695.76
Total	14,529.99	13,755.94

Notes:

Please refer Note 61 regarding additional disclosure for Revenue from Contract with Customers

NOTE: 26 : OTHER INCOME

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
(a) Profit & Loss on sale of securities	437.76	903.98
(b) Other Income		
Dividend Income	7.35	5.13
Interest Income		
(i) From a subsidiary company	-	-
(ii) Other interest income	103.64	0.22
Other non-operating income	48.66	33.70
	159.65	39.06
Total	597.41	943.04

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 27: EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Salary & Other Allowances		
Employee Salary	2,673.60	2,446.01
Director Remuneration	75.19	71.66
Performance Incentive	1,577.88	626.95
Contribution to Provident & Other fund	141.05	168.27
Staff Welfare Expenses	118.66	45.83
Employee Compensation Expenses	309.49	-
	-	-
Total	4,895.85	3,358.72

NOTE 28: FEES AND COMMISSION EXPENSE

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Sub Brokerage & Commission Expenses	2,157.28	2,494.70
Total	2,157.28	2,494.70

NOTE: 29 : FINANCE COST

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Interest expense on:		
On Temporary overdrafts availed from banks	12.72	6.27
On Car Loans	6.23	8.09
On Borrowings from a subsidiary company	157.41	2.19
Other Interest	372.98	112.21
Other borrowing costs:		
Bank Guarantee Charges	163.22	76.27
Other Charges	20.72	0.24
Total	733.29	205.27

NOTE: 30 : OTHER EXPENSES

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Legal and professional charges	394.67	252.75
Sales & marketing expenses	82.50	134.22
Depository charges	86.27	102.06
Exchange expenses	229.33	16.09

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Connectivity Charges	110.49	55.86
Software Charges	259.38	239.02
Rent Rates & Taxes	536.89	471.59
Electricity Charges	75.98	65.58
Telephone Charges	25.86	61.83
Repairs & Maintenance	74.06	78.51
Manpower supply charges	14.50	16.01
Postage & Courier Charges	12.09	15.37
Conveyance & Travelling	102.47	53.54
Printing and stationery	16.43	14.07
Office expenses	44.62	45.55
Membership Fees & Subscription	75.12	59.85
Insurance	5.03	3.92
Auditors Remuneration (Refer Note 54)	6.15	6.00
Corporate Social Responsibility	95.18	64.79
Charity & Donations	3.17	15.25
Bad debt written off	38.05	(1.13)
Loss on sale of stock-in-error	(7.40)	6.13
Other operating charges	10.10	9.06
Other Expenses	61.49	50.61
Advertisement & Business Promotion Expenses	155.49	100.41
Total	2,507.90	1,936.95

NOTE: 31 : STATEMENT OF OTHER COMPREHENSIVE INCOME

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
(i) Items that will not be reclassified to profit or loss		
Changes in revaluation surplus		
(i) Remeasurements of the defined benefit plans	4.18	(10.82)
(ii) Equity Instruments through Other Comprehensive Income	(21.91)	386.28
(iii) Income tax relating to items that will not be reclassified to profit or loss	(1.05)	2.72
Total	(18.78)	378.18

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 32: 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

	March 31, 2023	March 31, 2022
	₹ lakhs	₹ lakhs
Profit attributable to equity holders :		
Continuing operations	3,465.03	5,253.10
Discontinued operations	-	-
Profit attributable to equity holders for basic earnings	3,465.03	5,253.10
Adjustments:		
Others	-	-
Profit attributable to equity holders adjusted for the effect of dilution	3,465	5,253
ii. Weighted average number of ordinary shares		
Weighted average number of shares at March 31 for Basic EPS	338.70	310.50
Weighted average number of shares at March 31 for Diluted EPS	338.70	340.40
Basic and Diluted earnings per share		
Basic earnings per share	10.23	16.92
Diluted earnings per share	10.23	15.43

NOTE 33: TAX EXPENSE

(a) Amounts recognised in profit and loss

	For the year ended	
	March 31, 2023	March 31, 2022
Current income tax	1,210.62	1,622.66
Changes in tax estimates of prior years	17.87	27.55
Mat Receivable	-	25.92
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	8.16	25.48
Change in tax rate	-	-
Deferred tax expense	8.16	25.48
Tax expense for the year	1,236.64	1,701.60

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

(b) Amounts recognised in other comprehensive income

	For the year ended March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	4.18	(1.05)	3.13
Equity Instruments through Other Comprehensive Income	(21.91)	-	(21.91)
Items that will be reclassified to profit or loss	-	-	-
	(17.73)	(1.05)	(18.78)

	For the year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(10.82)	2.72	(8.10)
Equity Instruments through Other Comprehensive Income	386.28	-	386.28
Items that will be reclassified to profit or loss	-	-	-
	375.46	2.72	378.18

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

	For the year ended	
	March 31, 2023	March 31, 2022
Profit before tax	4,720.45	6,576.52
Statutory income tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	1,188.04	1,655.18
Tax effect of:	-	-
Non-deductible tax expenses	69.79	62.22
Provision for assets	-	-
Deductions Under Income Tax Act	(47.27)	(42.31)
Other Adjustments	0.06	(52.43)
	1,210.62	1,622.66

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

(d) Movement in deferred tax balances

Particular	Net balance April 1, 2022	Recognised in profit or loss	Recognised in OCI	March 31, 2023	
				Net	Deferred tax asset/ (Deferred tax liability)
Deferred tax asset/(Liabilities)					
Property, plant and equipment	59.39	(15.36)	-	44.03	44.03
Compensated absences and gratuity	59.29	7.20	(1.05)	65.44	65.44
Tax assets (Liabilities)	118.68	(8.16)	(1.05)	109.47	109.47
Set off tax	-	-	-	-	-
Net tax assets	118.68	(8.16)	(1.05)	109.47	109.47

(e) Movement in deferred tax balances

Particular	Net balance April 1, 2021	Recognised in profit or loss	Recognised in OCI	March 31, 2022	
				Net	Deferred tax asset/ (Deferred tax liability)
Deferred tax asset/(liabilities)					
Property, plant and equipment	82.37	(22.98)	-	59.39	59.39
Compensated absences and gratuity	59.06	(2.50)	2.7	59.29	59.29
Tax assets (Liabilities)	141.43	(25.48)	2.7	118.68	118.68
Set off tax	-	-	-	-	-
Net tax assets	141.43	(25.48)	2.7	118.68	118.68

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.

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 34: EMPLOYEE BENEFIT EXPENSE

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

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

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 on March 31, 2023	Year Ended on March 31, 2022
Contribution to Provident Fund	85.71	78.05
Contribution to ESIC	5.67	6.32
	91.38	84.37

(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 March 31, 2023. 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:

	March 31, 2023	March 31, 2022
Net defined benefit asset	6.08	8.90
Total employee benefit asset	6.08	8.90
Net defined benefit liability		
Liability for Gratuity	259.99	235.55
Total employee benefit liabilities	259.99	235.55
Non-current	225.11	203.19
Current	34.88	32.36

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

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	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening balance	235.55	208.38	8.90	5.56	226.65	202.82
Included in profit or loss	-	-	-	-	-	-
Current service cost	32.36	29.04	-	-	32.36	29.04
Past service cost	-	-	-	-	-	-
Interest cost (income)	11.16	9.20	-	-	11.16	9.20
Others	-	-	-	-	-	-
	279.06	246.62	8.90	5.56	270.17	241.06
Included in OCI						
Remeasurement loss (gain):	-	-	-	-	-	-
Actuarial loss (gain) arising from:	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(11.08)	(2.51)	-	-	(11.08)	(2.51)
Experience adjustment	7.22	13.50	-	-	7.22	13.50
Return on plan assets excluding interest income	-	-	0.32	0.17	(0.32)	(0.17)
	(3.86)	10.99	0.32	0.17	(4.18)	10.82
Other	-	-	-	-	-	-
Contributions paid by the employer	(3.14)	-	-	5.00	(3.14)	(5.00)
Benefits paid	(12.08)	(22.07)	(3.14)	(1.83)	(8.94)	(20.23)
Closing balance	259.99	235.55	6.08	8.90	253.91	226.65
Represented by:						
Net defined benefit asset					6.08	8.90
Net defined benefit liability					253.91	226.65
	259.99	235.55			259.99	235.55

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, 2022	76.03	48.36	38.54	31.92	22.62	49.88
March 31, 2023	85.08	58.52	48.25	34.17	26.24	55.74

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

C. Plan assets

Plan assets comprise the following:

	March 31, 2023	March 31, 2022
Policy of insurance	100%	100%
Bank Balance	0%	0%
	100%	100%

D. Defined benefit obligations

i. Actuarial assumptions

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

	March 31, 2023	March 31, 2022
Discount rate	7.30%	5.65%
Salary escalation rate	5.10%	5.10%
Withdrawal Rates	30% at all ages	30% at all ages
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii. Sensitivity analysis

	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Rate of discounting (0.50% movement)	256.83	263.23	232.49	238.69
Rate of salary increase (0.50% movement)	263.16	256.86	238.61	232.54
Rate of employee turnover (10% movement)	259.07	260.73	233.58	237.59

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 35: 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 30 in the notes to the financial statements.

	Year ended March 31, 2023	Year ended March 31, 2022
Lease Rental Payments	536.89	471.59
	536.89	471.59

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

b) Future minimum lease payments

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

	March 31, 2023	March 31, 2022
	₹ lakhs	₹ lakhs
Less than one year	482.12	467.36
Between one and five years	957.82	316.33
More than five years	-	-
	1,439.93	783.68

c) Adoption of Ind AS 116

The Company has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019).

On transition, the Company carried out a test of lease liability measured at the present value of the remaining lease payments. Based on the analysis of the management, the board is of the opinion that there is no significant impact of the application of provision on the financial statements of the company, considering the nature, amount and tenure of the lease agreements. Hence no recognition of the Right of use assets and corresponding Lease liabilities and provision for Interest cost on lease liabilities and Depreciation on right of use assets are made by the company. Lease rentals paid by the company are recognised under the head "Other Expenses" under Note No 30 in the notes to the financial statements and Security Deposits are recognised as "Other Non-Current Financial Assets" under Note No 5 in the notes to the financial statements.

NOTE 36: 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.

March 31, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	-	3,991.79	-	3,991.79	2,352.64	-	-	2,352.64
Other Non-current Financial Assets	-	-	1,364.42	1,364.42	-	-	-	-
Trade receivables	-	-	4,231.98	4,231.98	-	-	-	-
Cash and cash equivalents	-	-	2,454.32	2,454.32	-	-	-	-
Balances other than Cash and cash equivalents	-	-	34,571.46	34,571.46	-	-	-	-
Current Loans	-	-	9,890.38	9,890.38	-	-	-	-
Other Current financial assets	-	-	2.72	2.72	-	-	-	-
	-	3,991.79	52,515.26	56,507.05	2,352.64	-	-	2,352.64

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

March 31, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Non-current borrowings	-	-	35.26	35.26	-	-	-	-
Current borrowings	-	-	56.04	56.04	-	-	-	-
Trade payables	-	-	32,476.47	32,476.47	-	-	-	-
Other Non-Current financial liabilities	-	-	5,287.63	5,287.63	-	-	-	-
	-	-	37,855.40	37,855.40	-	-	-	-

March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	-	2,697.76	-	2,697.76	1,058.61	-	-	1,058.61
Other Non-current Financial Assets	-	-	1,419.19	1,419.19	-	-	-	-
Trade receivables	-	-	4,144.74	4,144.74	-	-	-	-
Cash and cash equivalents	-	-	8,661.57	8,661.57	-	-	-	-
Balances other than Cash and cash equivalents	-	-	41,011.40	41,011.40	-	-	-	-
Current Loans	-	-	3,109.72	3,109.72	-	-	-	-
Other Current financial assets	-	-	276.67	276.67	-	-	-	-
	-	2,697.76	58,623.29	61,321.06	1,058.61	-	-	1,058.61
Financial liabilities								
Non-current borrowings	-	-	61.44	61.44	-	-	-	-
Current borrowings	-	-	1,447.59	1,447.59	-	-	-	-
Trade payables	-	-	41,280.79	41,280.79	-	-	-	-
Other Non-Current financial liabilities	-	-	4,280.80	4,280.80	-	-	-	-
	-	-	47,070.61	47,070.61	-	-	-	-

- (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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

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.

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 March 31, 2023 are as follows:

Date	Trade Receivable	Margin trading facility	Total
March 31, 2023	4,231.98	9,890.38	14,122.35
March 31, 2022	4,144.74	3,109.72	7,254.47

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

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.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics as follow:

Receivable from Exchange (Unsecured) : There are no historical loss incurred in respect of Receivable from exchange. Entire exposure/receivable as at each reporting period is received and settled within 7 days from reporting period. Therefore, no ECL is recognised in respect of receivable from exchange.

Receivable from Brokerage and depository: Company has large number of customer base with shared credit risk characteristics. As per policy of the Company, trade receivable to the extent not covered by collateral (i.e. unsecured trade receivable) is considered as default and are fully written off as bad debt against respective trade receivables and the amount of loss is recognised in the Statement of Profit and Loss. Subsequent recoveries of amounts previously written off are credited to the income statement as bad debts recovered. Trade receivable of the company are of short duration with credit period ranging up to maximum 30 days. In case of delay in collection, the Company has right to charges interest (commonly referred as delayed payment charges) on overdue amount for the overdue period. However, in case of receivable from depository, the Company doesn't have right to charge interest. Though credit period given to customer in respect of receivable from depository is very short, generally there is significant delay in ultimate collection. The Company has computed expected credit loss due to significant delay in collection. Incremental borrowing rate is considered as effective interest rate on these trade receivable for the purpose of computing time value loss.

Receivables from margin trading facility: In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The expected credit loss is a product of exposure at default (EAD), probability of default (PD) and Loss given default (LGD). The financial assets have been segmented into three stages based on the risk profiles, primarily based on past due. Company has large number of customer base with shared credit risk characteristics. Receivables against margin trading facilities are secured by collaterals. As per policy of the Company, Receivables against Margin trade facilities to the extent not covered by collateral (i.e. unsecured portion) is considered as default and are fully written off as bad debt against respective loan receivables and the amount of loss is recognised in the Statement of Profit and Loss. Subsequent recoveries of amounts previously written off are credited to the Statement of Profit and Loss as bad debts recovered. As per Ind AS 109, the maximum period to consider when measuring expected credit losses is the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice. Therefore, the maximum period to consider when measuring expected credit losses for these loans is the maximum contractual period (i.e. on demand/one day). ECL is computed assuming that these loans are fully recalled by the Company at each reporting period.

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 Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

At March 31, 2023, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	Carrying amount (in ₹ lakhs)	
	March 31, 2023	March 31, 2022
India	14,122.35	7,254.47
	14,122.35	7,254.47

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:

	March 31, 2023	March 31, 2022
Opening balance	-	-
Provision for receivables impairment	38.05	34.37
Receivables written off during the year as uncollectible	(38.05)	(34.37)
Provision released during the year	-	-
Closing balance	-	-

With the applicability of Ind AS 109, the recognition and measurement of impairment of financial assets is based on credit loss assessment by expected credit loss (ECL) model. The ECL assessment involve significant management judgement. 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, like staging criteria, calculation of probability of default / loss and consideration of probability weighted scenarios and forward looking macroeconomic factors. The board acknowledges and understands that these factors, since there is a large increase in the data inputs required by the ECL model, which increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. Based on the internal management analysis, as per Board Opinion, there is no requirement of provision for expected credit loss in several financial assets including the trade receivables and other receivables of the Company and all are on fair value, based on the assessment and judgement made by the board of the company.

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

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.

March 31, 2023	Carrying amount	Contractual cash flows			
		Total	12 months or less	1-5 years	More than 5 years
₹ lakhs					
Non-derivative financial liabilities					
Non-current borrowings	35.26	35.26	-	35.26	-
Current borrowings	56.04	56.04	56.04	-	-
Trade payables	32,476.47	32,476.47	32,476.47	-	-
Other financial liabilities	5,287.63	5,287.63	5,287.63	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-

March 31, 2022	Carrying amount	Contractual cash flows			
		Total	12 months or less	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non-current borrowings	61.44	61.44	-	61.44	-
Current borrowings	1,447.59	1,447.59	1,447.59	-	-
Trade payables	41,280.79	41,280.79	41,280.79	-	-
Other financial liabilities	4,280.80	4,280.80	4,280.80	-	-
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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

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.

	Nominal amount in ₹ lakhs	
	March 31, 2023	March 31, 2022
Fixed-rate instruments		
Financial assets	34,571.46	41,011.40
Financial liabilities	61.30	85.45
	34,510.16	40,925.95
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	1,393.57
	-	(1,393.57)
Total	34,510.16	39,532.37

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 37: 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 March 31, 2023 was as follows.

Particular	₹ lakhs	
	As at March 31, 2023	As at March 31, 2022
Total Borrowings	91.30	1,509.03
Less : Cash and cash equivalent **	2,454.32	8,661.57
Adjusted net debt	(2,363.02)	(7,152.54)
Total equity	21,024.16	16,037.34
Less : Hedging reserve	-	-
Adjusted equity	21,024.16	16,037.34
Adjusted net debt to adjusted equity ratio	(0.11)	(0.45)

** Cash and cash equivalents excludes the balances other than Cash and cash equivalents

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 Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 38: RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

A Nature of relationship

I Subsidiary Companies

- a Monarch Network Finserve Private Limited
- b Monarch Network Investment Advisors Private Limited
- c Monarch Network Capital IFSC Pvt Ltd
- d Monarch Network Money Changers Private Limited

II Associate Companies

- a Network Financial Services Ltd

III Enterprises over which Directors / Promotor / KMP and their relatives exercise significant influence

- 1 Premjayanti Properties
- 2 Monarch Infra Ventures
- 3 Krone Investments
- 4 Vibrant Investments
- 5 Mahaveer Equibiz
- 6 Monarch Comtrade Private Limited
- 7 Monarch Infraparks Private Limited
- 8 Premjayanti Enterprises Private Limited
- 9 Yantra E Solar Private Limited
- 10 Krone Finstock Private Limited
- 11 R K Investments
- 12 Opp Basket Private Limited
- 13 Sur-Man Investment Limited
- 14 Simandhar Securities Private Limited
- 15 Samarpan Properties Private Limited
- 16 GSEC Monarch & Deccan Aviation Private Limited
- 17 MNCL Compounder Fund
- 18 MNCL Compounder Fund-I

IV Promoters / Key Management Personnel and their relatives

- 1 Mr. Vaibhav Shah (Managing Director)
- 2 Mrs. Manju Bafna (Wholetime Director)
- 3 Mr. Ashok Bafna (Wholetime Director)
- 4 Mr. Gaurav Bhandari (CEO)
- 5 Mr. Chetan Bohra (Director)
- 6 Ms Avni Chouhan (Director)

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

7	Mr. Satish Kumar (Director)
8	Ms Rupali Verma (Company Secretary)
9	Mrs Hetvi Gandhi (CFO)
10	Mrs. Kinnari Shah (Promoter)
11	Mr. Bankim Shah (Promoter Operation Head)
12	Mr. Himanshu Shah (Managing Director)
13	Mr. Suresh Bafna (Promotor)
14	Mrs Bela Shah (Promoter)
15	Mr. Shailen Shah (Promoter /President Institutional Desk)
16	Mrs. Hemangi B. Shah (Promoter)
17	Vaidik Ashok Bafna (Son Of Promoter)
18	Darshika Shailen Shah (Spouse Of Promoter)
19	Dimple Bafna (Related To Promoter)
20	Khushi Ashok Bafna (Daughter Of Promoter)
21	Mahek Shailen Shah (Daughter Of Promoter)
22	Manish Bafna (Brother Of Promoter)
23	Manish Bafna HUF (Related To Promoter)
24	Manjula Ramesh Shah (Mother Of Promoter)
25	Nirmi Shailen Shah (Daughter Of Promoter)
26	Nitin Ramesh Shah (Brother Of Promoter)
27	Nitin Ramesh Shah HUF (Related To Promoter)
28	Savita Ashok Bafna (Spouse Of Promoter)
29	Anushree Shah (Daughter Of Promoter)
30	Kavish shah (Son Of Promoter)
31	Premilaben Jayantibhai Shah (Mother Of Promoter)
32	Jayantilal Shah (Father of Promoter)
33	Ashok Bafna Huf (Related to Promoter)
34	Vaibhav Shah HUF (Related to Director)
35	Himanshu Shah HUF (Related to Promoter)
36	Bankim Shah HUF (Related to Promoter)

Notes :

- The related party relationship have been determined on the basis of the requirement of the Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' and the same have been relied upon by the auditors.
- The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the current year/previous year, except where control exists, in which case the relationships have been mentioned irrespective of transactions with the related party.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue								
Common Infra Income	-	-	-	-	-	-	-	-
Rent Income	9.00	9.00	-	-	-	-	9.00	9.00
Interest Income	9.14	-	17.02	0.35	0.01	0.01	26.18	0.36
Demat Charges Income	0.05	0.12	0.20	0.21	0.12	0.18	0.37	0.51
Brokerage Income	-	0.07	106.11	28.11	13.00	0.92	119.11	29.09
Total	18.20	9.18	123.33	28.68	13.13	1.11	154.65	38.97
Expenses								
Professional Fees Paid	-	-	-	-	39.00	33.00	39.00	33.00
Salaries & Incentive	-	-	-	-	1,292.29	611.54	1,292.29	611.54
Interest Paid	157.41	2.19	157.72	12.10	25.42	-	340.55	14.29
Lease Rent Paid	-	-	162.00	162.00	60.00	60.00	222.00	222.00
Total	157.41	2.19	319.72	174.10	1,416.71	704.54	1,893.84	880.83
Investment made								
MNCL Compounder Fund	-	-	1,529.96	815.32	-	-	1,529.96	815.32
Total	-	-	1,529.96	815.32	-	-	1,529.96	815.32

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	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Outstanding Balances								
Investments as on								
Monarch Network Finserve Private Limited	1,429.22	1,429.22	-	-	-	-	1,429.22	1,429.22
Monarch Network Investment Advisory Private Limited	59.99	59.99	-	-	-	-	59.99	59.99
Monarch Network Capital IFSC Private Ltd	5.00	5.00	-	-	-	-	5.00	5.00

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Monarch Network Money Changer Private Limited	50.00	50.00	-	-	-	-	50.00	50.00
Network Financial Service Limited	-	-	94.94	94.94	-	-	94.94	94.94
Total	1,544.21	1,544.21	94.94	94.94	-	-	1,639.15	1,639.15
Receivables / Advances								
Monarch Network Capital IFSC Private Limited	1.92	1.51	-	-	-	-	1.92	1.51
Monarch Network Money Changer Private Limited	0.79	0.16	-	-	-	-	0.79	0.16
Suresh Babulal Bafna	-	-	-	-	0.00	0.00	0.00	0.00
Premilaben Jayantilal Shah	-	-	-	-	3.87	3.87	3.87	3.87
Vaidik Ashok Bafna	-	-	-	-	0.00	0.00	0.00	0.00
Anushree Shah	-	-	-	-	0.00	-	0.00	-
Vibrant Investment	-	-	-	23.45	-	-	-	23.45
Yantra Esolar India Private Limited	-	-	5.82	-	-	-	5.82	-
Total	2.72	1.67	5.82	23.45	3.87	3.87	12.41	28.99
Payables								
Monarch Infra Venture	-	-	-	119.07	-	-	-	119.07
Shailen Shah	-	-	-	-	1.34	34.27	1.34	34.27
Darshika Shailen Shah	-	-	-	-	0.67	33.13	0.67	33.13
Manjula Ramesh Shah	-	-	-	-	0.61	26.84	0.61	26.84
Nitin Ramesh Shah	-	-	-	-	5.29	16.07	5.29	16.07
Nitin Ramesh Shah Huf	-	-	-	-	4.59	29.96	4.59	29.96
Krone Finstock Pvt Ltd	-	-	1,170.24	-	-	-	1,170.24	-
Krone Investments	-	-	0.00	248.23	-	-	0.00	248.23
Premjayanti Enterprise Pvt Ltd	-	-	0.00	-	-	-	0.00	-
Yantra Esolar India Private Limited	-	-	-	41.56	-	-	-	41.56
Anushree Shah	-	-	-	-	0.73	-	0.73	-
Dimple Bafna	-	-	-	-	5.83	33.95	5.83	33.95
Manish Bafna	-	-	-	-	1.14	0.25	1.14	0.25

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Manish Bafna Huf	-	-	-	-	3.91	17.76	3.91	17.76
Manju Bafna	-	-	-	-	2.43	25.79	2.43	25.79
Suresh Bafna	-	-	-	-	0.00	-	0.00	-
Vaidik Ashok Bafna	-	-	-	-	0.00	-	0.00	-
Mahaveer Equibiz	-	-	-	432.37	-	-	-	432.37
Total	-	-	1,170.24	841.23	26.55	218.02	1,196.78	1,059.25
Deposit								
Shailen Shah	-	-	-	-	40.00	-	40.00	-
DARSHIKA SHAILEN SHAH	-	-	-	-	25.00	-	25.00	-
MANJULA RAMESH SHAH	-	-	-	-	30.00	-	30.00	-
NITIN RAMESH SHAH	-	-	-	-	40.00	-	40.00	-
Nitin Ramesh Shah Huf	-	-	-	-	45.00	-	45.00	-
Ashok Bafna	-	-	-	-	50.00	-	50.00	-
Ashok Bafna HUF	-	-	-	-	50.00	-	50.00	-
Dimple Bafna	-	-	-	-	35.00	-	35.00	-
KHUSHI ASHOK BAFNA	-	-	-	-	20.00	-	20.00	-
Manish Bafna	-	-	-	-	48.00	-	48.00	-
Manish Bafna HUF	-	-	-	-	60.00	-	60.00	-
Manju Bafna	-	-	-	-	200.00	-	200.00	-
SAVITA ASHOK BAFNA	-	-	-	-	50.00	-	50.00	-
Vaidik Ashok Bafna	-	-	-	-	15.00	-	15.00	-
KRONE INVESTMENTS	-	-	-	600.00	-	-	-	600.00
MONARCH INFRA VENTURES	-	-	-	873.00	-	-	-	873.00
YANTRA ESOLARINDIA PRIVATE LIMITED	-	-	-	185.00	-	-	-	185.00
Total	-	-	-	1,658.00	708.00	-	708.00	1,658.00

Note:

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 39: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)**Contingent liabilities (to the extent not provided for)**

Contingent liabilities	₹ in lakhs	
	March 31, 2023	March 31, 2022
Bank Guarantee	21,696.0	10,546.0
Income Tax matters pending with various authorities	611.2	739.5
Service Tax matters (Including GST) pending with various authorities	89.2	64.7
(Merged Entity -Monarch Project & Finmarkets Limited and Monarch Research Brokerg Pvt Ltd)	-	
Client Litigation matter	51.0	63.2

Note

- (i) There are certain claims aggregating to ₹ 51.01 lakhs (previous year ₹ 63.17 lakhs) 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, 2023
- (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.

NOTE 40

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

NOTE 41

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

NOTE 42**Commitments**

	₹ in lakhs	
	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 43

The Company has an informal process of obtaining confirmations from the vendors to record whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

Dues to micro, small and medium enterprises	₹ in lakhs	
	March 31, 2023	March 31, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	6.15	6.00
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 44

Earnings and expenditure in Foreign Currency during the year:	₹ in lakhs	
	March 31, 2023	March 31, 2022
Earnings in Foreign Currency	0.73	0.73
Expenditure in Foreign Currency	Nil	Nil

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 45: PROPOSED DIVIDEND

The Board of Directors, have recommended a Dividend for the financial year ended on 31/03/2023@ 10% (i.e. ₹ 1/-) per equity share (Previous Year - @ 10%, i.e. ₹ 1/- per equity share) to the equity shareholders. The Dividend will be paid after the approval of shareholders at ensuing Annual General Meeting. The date of book closure for the entitlement of such dividend and Annual General Meeting shall be decided and informed in due course of time.

NOTE 46: 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.

NOTE 47

	₹ in lakhs	
	March 31, 2023	March 31, 2022
Forward exchange contracts outstanding on the balance sheet date which is entered to hedge foreign exchange exposures of the Company.	Nil	Nil

NOTE 48

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 49

Balance of Receivables and Payables, including Trade Receivables, loans, deposits & advances given as well as taken, payable to vendors, etc, are subject to confirmation and consequent reconciliation and adjustments, if any. Hence, the effect thereof, on Profit/ Loss, Assets and Liabilities, if any, is not ascertainable, which may be considerable. As per the opinion of the Board, there will be no substantial impact on their reconciliation with their balance confirmations as on the reporting date.

NOTE 50

All Property Plant and Equipment were physically verified by the management of the of the company in accordance with a planned program of verifying them once in three years, which is due for verification considering the momement restrictions due to covid pendamic. As per the opinion of the Board, there will be no substantial impact on their reconciliation with their physical verification as on the reporting date.

NOTE 51

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 52

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 Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 53

Directors Remuneration	₹ in lakhs	
	March 31, 2023	March 31, 2022
Director Remuneration	75.19	71.66
	75.19	71.66

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 54

Auditors Remuneration	₹ in lakhs	
	March 31, 2023	March 31, 2022
Towards Statutory & Tax Audit (Exclusive of GST)	6.15	6.00
	6.15	6.00

NOTE 55

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 56

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 during the year. 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 March 31, 2023	Year Ended on March 31, 2022
Unspent Balance at the beginning	19.57	31.02
Provision made by the Company during the year	95.18	64.79
Prior Period Provision made by the Company during the year	-	0.15
Amount Spent during the year	(19.57)	(76.38)
- Construction / acquisition of any asset	-	-
- On purpose of other than above	19.57	763.80
Amount remaining to be Spent at the end of the year	95.18	19.57

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 57**Employee Stock Option Plan**

The Monarch Network Capital Limited Employees Stock Options Scheme - 2021 was approved by the Board of Directors and Shareholders of the Company on June 18, 2021 and July 20, 2021 respectively. The Scheme is implemented through a trust route in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI Regulations") with an objective to motivate, retain and provide additional deferred rewards to the employees who contribute to the growth and profitability of the company and further to create a sense of ownership and participation amongst the employees to share the value they create for the company in the years to come.

Accordingly during the year under review, 500,000 ESOPs equivalent to equal number of Equity Shares were offered and granted to eligible employees under the said scheme. Details of the same are given below:

Date of Grant	Vesting period	% Of Options to be vested	Exercise period
August 17, 2022	30 (Thirty) months from the grant date	100%	Within six (6) months from the date of respective vesting

An expense of ₹ 309.49 lakhs (PY Nil) has been charged to the profit and loss account during the current year under the head Employee Benefit Expenses for the ESOPs as per Ind AS 102 Share-based Payment.

NOTE 58**Disclosure as per Clause 32 of the listing Agreement with the Stock Exchanges**

Particulars	Relationship		Amount outstanding as at March 31, 2023	Maximum balance outstanding during the year
Monarch Network Finserve Private Limited	Wholly-owned Subsidiary	CY	-	1,285.44
		PY	-	2,297.63
Monarch Network Investment Advisors Pvt Ltd	Subsidiary	CY	-	-
		PY	-	5.00
Monarch Network Money Changers Pvt Ltd	Wholly-owned Subsidiary	CY	0.79	0.79
		PY	0.16	0.51
Monarch Network Capital IFSC Pvt Ltd	Subsidiary	CY	1.92	1.92
		PY	1.51	1.51
Network Financial Services Ltd	Associate	CY	-	0.04
		PY	-	0.25

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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 59

Loans and Advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013)

The company has granted following loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand; or (b) without specifying any terms or period of repayment.

Type of Borrower, that are (a) repayable on demand; or (b) without specifying any terms or period of repayment.	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As on		As on	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Promoters/ Directors/ KMPs:	-	-	0.00%	0.00%
Related Parties:	2.72	1.67	0.03%	0.05%
Total to promoters, directors, KMPs and the related parties	2.72	1.67	0.03%	0.05%
Total to Other Loans given by the Company	9,890.38	3,109.72	99.97%	99.95%
Grand Total	9,893.09	3,111.39	100.00%	100.00%

NOTE 60

The details of loan granted by the company during the Financial Year 2022-23 are as follows:

Loan Provided	Sub./ JV/ Associate	Others
A. Aggregate amount granted/ provided during the year	1.05	12,000.00
B. Balance outstanding as at balance sheet date in respect of above cases	2.72	9,890.38

NOTE 61

Revenue from Contract with Customers

The Company derives revenue primarily from the Share Broking Business. Its other major revenue sources are Portfolio Management Services and Interest Income

Disaggregate revenue information

- The table below presents disaggregate revenues from contracts with customers for the year ended March 31, 2023 and March 31, 2022. The Company believes that this disaggregation best depicts how the nature, amount, Timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Nature of Services

- Stock Broking Services - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract. This includes Brokerage, Demat Services, Late Payment Charges income & Interest Income from Margin Funding
- Other operating revenues - This includes revenue generated from Merchant Banking services, Financial Products Distribution, Financial Advisory Services, etc incurred by the company in the normal course of operations during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
(a) Interest Income		
Interest on margin funding	906.31	398.82
Interest on delayed payment	1,513.66	961.11
Interest on fixed deposits under the lien with stock exchanges	2,095.55	1,873.42
	4,515.52	3,233.36
(b) Fees and Commission Income		
Brokerage	7,430.58	8,295.01
Income from depository Operation	232.31	501.90
Income from distribution Operation	180.00	108.37
Other Operating Income	108.80	96.06
	7,951.69	9,001.33
(c) Merchant banking and other services	1,844.90	825.50
(d) Asset Management Services	217.88	695.76
Total	14,529.99	13,755.94

3. Nature, Timing of satisfaction of the performance obligation on and significant payment terms.

- (i) Income from services rendered as a broker is recognised upon rendering of the services.
- (ii) Fees for subscription on based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract
- (iii) Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.
- (iv) Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks.
- (v) Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable
- (vi) Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

The above services are point in time in nature, and no performance obligation remains once the transaction is executed. Fees for subscription on based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 62

The carrying amounts of assets pledged as security for borrowings are:

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits held as margin deposits	10,859.00	5,325.87
Property, plant and equipment	151.21	148.70
Total assets pledged as security	11,010.21	5,474.57

- Investments, Trade receivables, Loans and Property, plant and equipments are pledge with Banks and NBFCs to against borrowing facilities taken by the company.

NOTE 63

MNCL Capital Compounder Fund

A. Monarch Alternative Investment Fund

Monarch Network Capital Ltd, being the Investment Manager and Sponsor of Monarch AIF (Alternative Investment Fund) - Category III, a SEBI registered fund as defined under Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012, has invested a sum of ₹ 5 Crores in a scheme of Monarch AIF i.e. MNCL CAPITAL COMPOUNDER FUND ('the Fund') for a period of 3 years (which can be extended by upto 2 years). MNCL CAPITAL COMPOUNDER FUND is a Category 3 long only AIF Equity fund which is launched by Monarch AIF.

Key Features of the fund are as follows:

- ✓ MNCL Capital Compounder Fund' is a close ended scheme of the Trust and is offering through a private placement Class A Units, Class B Units, Class C Units and such other Class(es) /Subclass(es) of Units as the Investment Manager may decide from time to time for subscription aggregating to ₹ 100,00,00,000 (Indian Rupees One Hundred Crores) with a green shoe option of up to ₹ 50,00,00,000 (Indian Rupees Fifty Crores). The Fund is a scheme of an Indian trust set-up under the Indian Trusts Act, 1882 and is registered with SEBI as a Category III AIF under the Regulations and would be operated in compliance with other Applicable Laws.
- ✓ Sponsor's Contribution by MNCL : As per the terms of The Sponsor/Investment Manager shall commit an amount equivalent to 5% (five percent) of the Corpus or ₹ 10,00,00,000 (Rupees Ten Crore), whichever is lower, and shall maintain a continuing interest in the Fund in accordance with the Regulations.
- ✓ 'Beacon Trusteeship Limited' shall act as the Trustee to the Trust. The Trustee shall have all powers in respect of the property of the Trust, including power to manage the same, which would be delegated to the Investment Manager in terms of the Investment Management Agreement. The Trustee shall not interfere with the actions of the Investment Manager so long as the actions are within the powers of the Investment Manager.
- ✓ Commitment Period : The Commitment Period for the Fund shall commence from the date of execution of Contribution Agreement on 28-09-2020 and shall end on the expiry of 3 (three) months from the Final Closing that may be extended for a further period up to 3 (three) months by the Investment Manager. During which the Capital Commitments can be drawn down upon issuance of a Drawdown Notice to the Contributors.
- ✓ Lock-in Period : Lock-in Period means the period commencing from the date of signing of the respective Contribution Agreement till the expiry of 18 (eighteen) months from the date of last Drawdown or the

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

date of Final Closing, whichever is later. To clarify, no exit of any Units shall be allowed during the Lock-in Period, except at the discretion of the Investment Manager.

- ✓ Management Fee : Pursuant to the Investment Management Agreement, the Investment Manager will be entitled to receive Management Fee, that will accrue and commence from the date of First Closing and shall be chargeable on annual basis in arrears in respect of Class A Units and Class C Units. The Management Fee shall be charged up to 0.5% (zero point five percent) p.a. on the NAV (calculated at the beginning of each year) of Class A Units and Class C Units. No Management Fee shall be payable with respect to the holders of Class B Units. The Revenue from Management Fees is disclosed under "Note: 20 : Revenue from operations".
- ✓ Performance Fee : The Investment Manager will establish and maintain an account for the Fund. The Fund's account will contain separate capital accounts (each a "Capital Account") in order to separately track the Net Asset Value of each Contributor's Units in the Fund. The Investment Manager shall charge performance fee ("Performance Fee") based on the performance of each Capital Account at the rate of 15% (fifteen percent) p.a. of all the profits after deducting Fund Expenses (except Performance Fee), reserves, provisions/withholdings, (in case the profits are higher than the Hurdle Rate of Return) from the holders of Class A Units and Class C Units, on annual basis at the end of financial year or shorter period in certain circumstances as listed out in the Contribution Agreements viz. in case of exit etc. The Performance Fee shall be charged at the end of each year on an annual basis. The Revenue from performance Fees is disclosed under "Note: 20 : Revenue from operations".
- ✓ Hurdle Rate of Return : The hurdle rate of return shall be the compounded rate of return of an INR based calculation of 10% (pre-Tax) on an annualized basis.
- ✓ Set-up Cost : The Investment Manager will charge one-time Set-up Cost from the holders of Class A Units and Class C Units at actuals subject to a limit of up to 0.5% (zero point five percent) of the aggregate Capital Commitments by the holders of Class A Units and Class C Units. The Investment Manager may, in its discretion reduce/waive the Set-Up Cost payable by an Investor. No Set-up Cost shall be payable with respect to the holders of Class B Units.

B. Monarch Alternative Investment Fund - I

Monarch Network Capital Ltd, being the Investment Manager and Sponsor of Monarch AIF (Alternative Investment Fund) - Category III, a SEBI registered fund as defined under Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012, has invested a sum of ₹ 10 Crores in a scheme of Monarch AIF i.e. MNCL CAPITAL COMPOUNDER FUND - I ('the Fund') for a period of 3 years (which can be extended by upto 2 years). MNCL CAPITAL COMPOUNDER FUND - I is a Category 3 long only AIF Equity fund which is launched by Monarch AIF.

Key Features of the fund are as follows:

- ✓ 'MNCL Capital Compounder Fund - I' is the second close ended scheme of the Trust and is offering through a private placement Class A Units, Class B Units, Class C Units and such other Class(es) / Subclass(es) of Units as the Investment Manager may decide from time to time for subscription aggregating to ₹ 250,00,00,000 (Indian Rupees Two Hundred Fifty Crores) with a green shoe option of up to ₹ 200,00,00,000 (Indian Rupees Two Hundred Crores). The Fund is a scheme of an Indian trust set-up under the Indian Trusts Act, 1882 and is registered with SEBI as a Category III AIF under the Regulations and would be operated in compliance with other Applicable Laws.
- ✓ Sponsor's Contribution by MNCL : As per the terms of The Sponsor/Investment Manager shall commit an amount equivalent to 5% (five percent) of the Corpus or ₹ 10,00,00,000 (Rupees Ten Crore), whichever is lower, and shall maintain a continuing interest in the Fund in accordance with the Regulations.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

- ✓ 'Beacon Trusteeship Limited' shall act as the Trustee to the Trust. The Trustee shall have all powers in respect of the property of the Trust, including power to manage the same, which would be delegated to the Investment Manager in terms of the Investment Management Agreement. The Trustee shall not interfere with the actions of the Investment Manager so long as the actions are within the powers of the Investment Management Agreement and conform to the Regulations and the objectives of the Trust and the Fund.
- ✓ Commitment Period : The First Closing of the Fund shall be held within a period of 6 (six) months from the date of receipt of confirmation from SEBI for launch of the Fund, subject to the Fund receiving Capital Commitments of at least ₹ 20,00,00,000 (Indian Rupees Twenty Crores) or any other higher amount as decided by the Investment Manager in accordance with the Regulations. The Investment Manager may extend the First Closing by a period of up to 3 (three) months at its sole discretion.

The Investment Manager has the discretion to hold one or more Subsequent Closings. The Final Closing shall be held on or before the expiry of 12 (twelve) months from the First Closing. The Investment Manager may extend the Final Closing by up to 3 (three) months at its sole discretion, pursuant to which admission of investors as Contributors in the Fund shall stand finalised.
- ✓ Lock-in Period : Units issued to Contributors shall be locked in till the expiry of 18 (Eighteen) months from the date of allotment of Units ("Lock-in Period"). No redemptions will be allowed during the Lock-in Period.
- ✓ Management Fee : Pursuant to the Investment Management Agreement, The Management Fee shall be chargeable at the rate of upto 1% (One Percent) p.a. in respect of Class A Units and Class C Units, payable at the end of each year (or at such intervals as determined by the Investment Manager and as stated in the Contribution Agreement) on the NAV (before taking into account the Fund Expenses, Performance Fees and Tax liabilities) calculated at the start of every year on the relevant Valuation Day. No Management Fee shall be payable with respect to the holders of Class B Units. The Revenue from Management Fees is disclosed under "Note: 20 : Revenue from operations".
- ✓ Performance Fee : The Investment Manager shall charge a Performance Fee to the holders of Class A Units and Class C Units at the rate of 15% p.a. of the incremental Pre-Tax NAV of Class A Units and Class C Units (over and above the Hurdle Rate of Return) during a Determination Period. The Performance fees will be increased by any applicable GST and other statutory charges payable thereon. This fee will be charged by the Investment Manager directly to the relevant Contributors or to the Fund. The Investment Manager, in its sole discretion, may waive or reduce the Performance Fee for a particular Contributor / Class / Subclass of Units. There shall be no Performance Fee payable with respect to Class B Units. The Revenue from performance Fees is disclosed under "Note: 20 : Revenue from operations".
- ✓ Hurdle Rate of Return : The Hurdle Rate of Return applicable to Class A Units and Class C Units shall be 10% (ten percent) in Indian Rupee terms. The Hurdle Rate of Return shall not be applicable with respect to holders of Class B Units.
- ✓ Set-up Cost : The Investment Manager will not charge any Set-up Cost from any unit holders.

NOTE 64

Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

The Company do not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 65

Wilful Defaulter

The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

NOTE 66

Misutilisation of Bank Borrowing

In the opinion of the management of the company, to the best of its knowledge and belief, the company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

NOTE 67

Disclosure of transactions with struck off companies

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

NOTE 68

Compliance with approved Scheme(s) of Arrangements

No Scheme of Arrangements has been approved by/ pending with the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year as well as previous year.

NOTE 69

Undisclosed Income

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTE 70

Compliance with number of layers of companies

The compliance of number of layers of companies, prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, are not applicable to the company.

NOTE 71

Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.

NOTE 72

Security of current assets against borrowings

Quarterly statements of current assets filed with banks and financial institutions for fund borrowed from those banks and financial institutions on the basis of security of current assets are in agreement with the books of account.

NOTE 73

Utilisation of Borrowed funds and share premium:

- (A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries)
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

NOTE 74

Registration of charges or satisfaction of charges with Registrar of Companies (ROC)

The Company do not have any charges or satisfaction of charges which is yet to be registered with ROC during the Financial Year, except

- ✓ During earlier years, the company has availed credit facilities from State Bank of Saurashtra, (now State Bank of India), which has been fully repaid in earlier years. However, the said charge against the Charge ID-10081290 is still disclosed as Open Charge in the records of Registrar of Companies (ROC). The management of the company is in the process of filing of satisfaction of the said charge with ROC, Although it is only a procedural requirement, since the said loan is already fully repaid.

NOTE 75

Ratios

Additional regulatory information required under (WB)(xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

NOTE 76

Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
As on March 31, 2023								
Undisputed Trade receivables:								
- considered good	38.29		3,232.61	495.53	219.21	246.38	-	4,232.01
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables:								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2022								
Undisputed Trade receivables:								
- considered good	187.25	-	3,516.03	44.98	335.81	60.67	-	4,144.74
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables:	-	-	-	-	-	-	-	-
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-

NOTE 77**Trade Payables Ageing Schedule**

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2023						
(i) MSME*	-	6.00	-	-	-	6.00
(ii) Others	-	32,338.49	116.37	15.65	-	32,470.51
(iii) Disputed dues — MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	32,344.49	116.37	15.65	-	32,476.51

Particulars		Outstanding for following periods from due date of payment					Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on March 31, 2022							
(i)	MSME*	-	6.00	-	-	-	6.00
(ii)	Others	-	41,192.77	74.42	13.60	-	41,280.79
(iii)	Disputed dues — MSME*	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
Total		-	41,198.77	74.42	13.60	-	41,286.79

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006, as per information available with the Company

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 78

These financial statements are presented in Indian Rupees (INR), which is also its functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated. The amounts which are less than ₹ 0.01 lakhs are shown as ₹ 0.00 lakhs.

NOTE 79

Previous year's figures have been regrouped or reclassified wherever necessary.

As per our Report of even date

For **PAREKH SHAH & LODHA**

Chartered Accountants
(Firm Reg. No. 107487W)

Amit Saklecha

(Partner)
M.No. 401133
UDIN: 23401133BGZEDL7848

Place: Mumbai
Date: May 25, 2023

For and on behalf of the Board

Vaibhav Shah

(Managing Director)
Din: 00572666

Hetvi Gandhi

(Chief Financial Officer)

Place : Ahmedabad
Date: May 25, 2023

Manju Bafna

(Whole-Time Director)
Din: 01459885

Rupali Verma

(Company Secretary)
ICSI Member. No: A42923

Place : Ahmedabad
Date: May 25, 2023

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
Monarch Network Capital Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **MONARCH NETWORK CAPITAL LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries & associate together referred to as "the Group"), which comprise the balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive income, statement of cash flows, and the Statement of Changes in Equity for the year then ended 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 and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash

flows and the consolidated statement of changes in equity 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 Group 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 there under, 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 Group 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: Obtained an understanding of the Group's IT environment and identified IT applications, databases and operating systems, for the areas which are relevant to our audit. Sample verification of the key transactions was carried out to verify the effectiveness of the IT environment in the group.

Key audit matters	How the matter was addressed in our Audit
Further, the Group'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 Group 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. Further, the prevailing COVID-19 situation has caused the required IT applications to be made accessible to the employees on a remote basis.	✔ Obtained understanding of IT infrastructure i.e. operating systems and databases supporting the identified systems and related data security controls in relation to large number of users working on the entity's systems remotely in the light of COVID-19. ✔ 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.
Expected credit loss allowances 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 Group'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. The most significant areas are loan staging criteria, calculation of probability of default / loss and consideration of probability weighted scenarios and forward-looking macroeconomic factors. 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. <i>As per management opinion, there is no expected credit loss in several financial assets including the trade receivables and other financial assets of the Group and all are on fair value, based on the assessment and judgement made by the board of the group.</i>	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 evaluated management's process and tested key controls around the determination of extent of requirement of expected credit loss allowances, including recovery process & controls implemented in the group for trade receivables and other financial assets. It was explained to us by the management that the control exists relating to the recovery of receivables, including those aging for large periods and in the opinion of the board there is no requirement making expected credit loss allowance. ✔ We have also reviewed the management response and representation on recovery process initiated for sample receivables, and based on the same we have place reliance on these key controls for the purposes of our audit.
Deferred Tax Assets Recognition and measurement of deferred tax assets The Group 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.	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 Group's process for recording deferred tax assets; ✔ Discussed with the management about 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

Key audit matters	How the matter was addressed in our Audit
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.	✓ Accordingly based on the projected business plan made by the management, for the purpose of recognition of deferred tax assets in the financial statements, the assets provisions seems to be reasonable.
Investment and Loans to group companies The Group has investments in group company and associates 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 Group, this is considered to be significant to our overall audit strategy and planning. The Group 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 discussion with the management; and ✓ Obtained independent confirmations to ensure completeness and existence of loans and advances held by related parties as on reporting date.
Balances of Various Financial Assets and Liabilities Refer Note No. 48 to the financial statements which describes that the balance of Receivables and Payables, including Trade Receivables, loans, deposits & advances given as well as taken, payable to vendors, etc, are subject to confirmation and consequent reconciliation and adjustments, if any. Hence, the effect thereof, on Profit/ Loss, Assets and Liabilities, if any, is not ascertainable.	We evaluated the management procedure and tested key controls employed by the management to review over the reconciliation and recoverability of the long outstanding assets and payability of long outstanding liabilities. Based on the explanations and representations provided by the management, it was explained to us that the Board is carrying out a regular review of balances of all outstanding assets and liabilities, based on the formal/ informal arrangements with the respective parties involved. As per their opinion, there will be no substantial impact on their reconciliation with their balance confirmations. Based on the same we have place reliance on these key controls for the purposes of our audit.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding 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 Holding Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance including other comprehensive Income, consolidated changes in equity and consolidated and cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian 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 Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Group'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 group 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 Group'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 Group 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.
- ✓ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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 consolidated 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

The consolidated financial statements include the audited financial statements of four subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹ 3381.24 lakhs as at March 31, 2023 (P.Y. ₹ 2615.29 lakhs), total revenue (before consolidation adjustments) of ₹ 1231.14 lakhs (P.Y. ₹ 759.45 lakhs) and total net profit after tax (before consolidation adjustments) of ₹ 813.43 lakhs (P.Y. ₹ 530.15 lakhs) and net cash inflows of ₹ 1883.92 lakhs (P.Y. ₹ (-) 294.68 lakhs) for the year ended on that date, as considered in the consolidated financial statements, which have been audited by their respective independent auditors. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

The Consolidated statements also includes the Holding Company's share of Net Loss of ₹ -0.07 lakhs for the year ended March 31, 2023 (P.Y. ₹ -0.06 lakhs) as considered in the consolidated financial statements, in respect of one associate company. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate company, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate company, are

based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

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/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, is disqualified as on March 31, 2023 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Group to their Directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
 - (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - a. The Group does not have any pending litigations which would impact its financial position, other than those mentioned in Note 39 to 41 (Contingent Liabilities) to the Consolidated financial statements;
 - b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
- d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- e. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- As stated in Note 45 to the consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report Order, 2020 (the "Order"/ "CARO") issued by Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanation given to us, and based on the CARO report issued by us for the Holding Company and by the respective statutory auditors of the subsidiary Companies, included in the consolidated financial statement of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Amit Saklecha
(Partner)
M. No.: 401133
UDIN: 23401133BGZEDK6712

Place: Mumbai
Date: May 25, 2023

ANNEXURE B TO AUDITOR'S REPORT

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **MONARCH NETWORK CAPITAL LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries & associate together referred to as "the Group") as of March 31, 2023 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 group'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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Group'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 Group'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 Group 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, 2023, based on the internal control over financial reporting criteria established by the Group. However the same needs to be further improved and formally documented in view of the size of the group 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

Amit Saklecha
(Partner)
M. No.: 401133
UDIN: 23401133BGZEDK6712

Place: Mumbai
Date: May 25, 2023

CONSOLIDATED STATEMENT OF BALANCE SHEET

as on March 31, 2023

(Currency: ₹ in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property Plant and Equipment	2	817.54	525.32
Intangible Assets	3	2.19	2.19
Financial assets			
- Investments	4	2,440.53	1,146.57
- Other Financial Assets	5	1,364.47	1,419.25
Deferred tax assets (Net)	6	111.59	120.07
Non-current Tax Assets (Net)	7	332.66	208.87
Total Non Current Assets		5,068.98	3,422.27
Current assets			
Inventories	8	1,741.61	1,448.29
Financial assets			
- Trade Receivables	9	4,371.32	4,232.89
- Cash and cash equivalents	10	4,778.37	9,101.71
- Balances other than Cash and cash equivalents	11	34,827.23	41,189.38
- Loans	12	10,101.19	4,580.38
- Other Financial Assets	13	-	275.00
Other Current Assets	14	328.80	489.24
Total Current Assets		56,148.52	61,316.88
Total Assets		61,217.50	64,739.15
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	15	3,386.95	3,104.95
Other equity	16	19,207.24	13,689.06
Total Equity		22,594.19	16,794.00
Non-current liabilities			
Financial liabilities			
- Borrowings	17	228.67	254.84
Provisions	18	225.75	204.33
Total Non Current Liabilities		454.41	459.18
Current liabilities			
Financial liabilities			
- Borrowings	19	56.03	1,447.59
- Trade payables	20	32,513.04	41,291.50
- Other financial Liabilities	21	5,287.66	4,280.80
Current Tax Liabilities (Net)	22	75.60	163.71
Provisions	23	146.96	89.72
Other Current Liabilities	24	89.61	212.62
Total Current Liabilities		38,168.90	47,485.95
Total Equity & Liabilities		61,217.50	64,739.15

Significant Accounting Policies

Notes to the financial statements

Notes referred above form an integral part of the financial statements.

As per our Report of even date

For **PAREKH SHAH & LODHA**

Chartered Accountants
(Firm Reg. No. 107487W)

Amit Saklecha

(Partner)
M.No. 401133
UDIN: 23041133BGZEDK6712

Place: Mumbai
Date: May 25, 2023

For and on behalf of the Board

Vaibhav Shah

(Managing Director)
Din: 00572666

Hetvi Gandhi

(Chief Financial Officer)

Place : Ahmedabad
Date: May 25, 2023

Manju Bafna

(Whole-Time Director)
Din: 01459885

Rupali Verma

(Company Secretary)
ICSI Member. No: A42923

Place : Ahmedabad
Date: May 25, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

as on March 31, 2023

(Currency: ₹ in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
INCOME			
Revenue From Operations	25		
(a) Interest Income		4,601.68	3,647.43
(b) Fees and Commission Income		8,502.76	9,279.20
(c) Merchant banking and other services		2,269.90	825.50
(d) Asset Management Services		217.88	695.76
Total Revenue From Operations		15,592.22	14,447.89
Other Incomes	26	608.91	1,008.24
Total Income		16,201.13	15,456.13
EXPENSES			
Employee benefit expenses	27	4,924.20	3,442.79
Fees and commission expenses	28	2,189.68	2,494.70
Finance Costs	29	576.26	204.92
Depreciation & Amortization Expenses	2	112.40	99.15
Other Expenses	30	2,610.88	1,985.66
Provision for Standard Assets		-	3.08
Provision for Non Performing Assets		(5.04)	(18.44)
Total Expenses		10,408.38	8,211.86
Profit before exceptional items, extraordinary items and Tax		5,792.75	7,244.27
Less: Prior Period expenses		(0.22)	6.70
Less: Extraordinary Items		-	(34.37)
Profit Before Tax		5,792.53	7,216.60
Tax Expenses			
Current Tax	33	1,479.46	1,793.77
Deferred tax		7.43	25.62
Short & Excess Tax Provision for earlier years		8.40	(33.79)
MAT Receivable		-	25.92
Total Tax Expenses		1,495.29	1,811.51
Profit for the Year (After Tax)		4,297.24	5,405.09
Add : Share of Profit/(Loss) from Associates		(0.07)	(0.06)
Net Profit		4,297.16	5,405.02
Other Comprehensive Income	31		
A(i) Items that will not be reclassified to profit or loss			
(i) Remeasurement gain/losses on defined benefit plans		4.18	(10.82)
(ii) Equity Instruments through other comprehensive Income		(21.91)	386.28
(iii) Income tax related to items that will not be reclassified to profit or loss		(1.05)	2.72
Total Comprehensive Income for the year		4,278.38	5,783.20
Earnings Per equity share of face value of ₹ 10 each			
Basic (in ₹)	32	12.63	18.63
Diluted (in ₹)	32	12.63	16.99

Significant Accounting Policies

Notes to the financial statements

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Notes referred above form an integral part of the financial statements.

As per our Report of even dateFor **PAREKH SHAH & LODHA**Chartered Accountants
(Firm Reg. No. 107487W)**Amit Saklecha**(Partner)
M.No. 401133
UDIN: 23401133BGZEDK6712Place: Mumbai
Date: May 25, 2023**For and on behalf of the Board****Vaibhav Shah**(Managing Director)
Din: 00572666**Hetvi Gandhi**

(Chief Financial Officer)

Place : Ahmedabad
Date: May 25, 2023**Manju Bafna**(Whole-Time Director)
Din: 01459885**Rupali Verma**(Company Secretary)
ICSI Member. No: A42923Place : Ahmedabad
Date: May 25, 2023

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Profit before tax from continuing operations	5,792.53	7,216.60
Profit/(loss) before tax from discontinued operations		
Profit before tax	5,792.53	7,216.60
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and amortisation	112.40	99.15
Finance cost	576.26	204.92
Other Interest incomes	115.15	(11.52)
Dividend Income	(7.35)	(5.13)
(Profit) / loss on sale of fixed assets	-	(0.43)
Bad debt written off	-	34.37
Provision for Standard Assets	-	3.08
Provision for Non Performing Assets	(5.04)	(18.44)
Remeasurements of the defined benefit plans	4.18	(10.82)
	6,588.14	7,511.78
Working capital adjustments		
Inventories	(293.32)	(1,178.18)
Trade receivables	(349.24)	(1,126.44)
Balances other than Cash and cash equivalents	6,362.15	(13,292.00)
Loans	(5,309.99)	(1,798.86)
Other Financial Assets	275.00	(275.00)
Other Non-Financial Assets	160.47	(58.80)
Trade payables	(8,778.50)	13,568.37
Provisions	83.70	30.76
Other financial liabilities	1,006.86	2,809.72
Other non-financial Liabilities	(123.02)	77.09
	(377.75)	6,268.45
Income Tax paid	(1,699.77)	(1,762.45)
Net cash flows from operating activities	(2,077.52)	4,506.01
Cash flow from investing activities		
Payment for purchase and construction of property, plant and equipment (Net of proceeds from sales)	(404.64)	(166.36)
Proceeds from sale of Investments	(1,315.93)	-
Other Interest incomes	(115.15)	11.52
Dividend Income	7.35	5.13

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Proceeds /(Repayment) of Other Non Current Financial Assets	54.78	118.23
Proceeds /(Repayment) of loans & advances to related parties	-	0.18
Net cash flows from investing activities	(1,773.60)	(31.30)
Cash flow from financing activities		
Proceeds from issue of share capital & Others	1,521.79	-
Proceeds from issue of Share Warrants	-	538.20
Proceeds /(Repayment) of borrowings from banks/ FI	(1,447.73)	1,346.46
Proceeds /(Repayment) of borrowings from others	30.00	-
Dividend Paid	-	(310.50)
Finance charges paid	(576.26)	(204.92)
Net cash flows from financing activities	(472.21)	1,369.24
Net increase / (decrease) in cash and cash equivalents	(4,323.33)	5,843.92
Cash and cash equivalents at the beginning of the year	9,101.71	3,257.79
Cash and cash equivalents at the end of the year	4,778.37	9,101.71
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	4,778.37	9,101.71
Cash and Cash equivalents as restated as at the year end	4,778.37	9,101.71

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 dateFor **PAREKH SHAH & LODHA**Chartered Accountants
(Firm Reg. No. 107487W)**Amit Saklecha**(Partner)
M.No. 401133
UDIN: 23401133BGZEDK6712Place: Mumbai
Date: May 25, 2023**For and on behalf of the Board****Vaibhav Shah**(Managing Director)
Din: 00572666**Hetvi Gandhi**

(Chief Financial Officer)

Place : Ahmedabad
Date: May 25, 2023**Manju Bafna**(Whole-Time Director)
Din: 01459885**Rupali Verma**(Company Secretary)
ICSI Member. No: A42923Place : Ahmedabad
Date: May 25, 2023

STATEMENT OF CHANGES IN EQUITY

(A) EQUITY SHARE CAPITAL

(Currency: ₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period Balance	3,10,49,518	3,104.95	3,10,49,518	3,104.95
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	3,10,49,518	3,104.95	3,10,49,518	3,104.95
Changes in equity share capital during the year	28,20,000	282.00	-	-
Balance at the end of the reporting period	3,38,69,518	3,386.95	3,10,49,518	3,104.95

(B) OTHER EQUITY

Particulars	Reserves & Surplus				Other comprehensive income			Total
	Capital Reserve	Securities Premium	Share Based Payment Reserve	Share warrant	Retained earnings	Remeasurements of the net defined benefit Plans	Fair valuation of investments in equity shares	
Balance at April 1, 2021	151.64	3,475.69	-	-	4,010.52	(9.49)	49.79	7,678.15
Profit for the year	-	-	-	-	5,405.02	-	-	5,405.02
Other comprehensive income for the year	-	-	-	-	-	(8.10)	386.28	378.18
Dividend Declared during the year	-	-	-	-	(310.50)	-	-	(310.50)
Share Warrants issued during the Year	-	-	-	538.20	-	-	-	538.20
Total additions for the year	-	-	-	538.20	5,094.53	(8.10)	386.28	6,010.91
Balance at March 31, 2022	151.64	3,475.69	-	538.20	9,105.05	(17.59)	436.07	13,689.06
Profit for the year	-	-	-	-	4,297.16	-	-	4,297.16
Other comprehensive income for the year	-	-	-	-	-	3.13	(21.91)	(18.77)
Dividend Declared during the year	-	-	-	-	(310.50)	-	-	(310.50)
Share Warrants issued during the Year	30.60	1,748.40	-	(538.20)	-	-	-	1,240.80
Employee Compensation Expenses recognised during the year	-	-	309.49	-	-	-	-	309.49
Total additions for the year	30.60	1,748.40	309.49	(538.20)	3,986.67	3.13	(21.91)	5,518.18
Balance at March 31, 2023	182.24	5,224.09	309.49	-	13,091.72	(14.46)	414.16	19,207.24

As per our Report of even date

 For **PAREKH SHAH & LODHA**

 Chartered Accountants
 (Firm Reg. No. 107487W)

Amit Saklecha

(Partner)

M.No. 401133

UDIN: 23401133BGZEDK6712

Place: Mumbai

Date: May 25, 2023

For and on behalf of the Board

Vaibhav Shah

(Managing Director)

Din: 00572666

Hetvi Gandhi

(Chief Financial Officer)

Manju Bafna

(Whole-Time Director)

Din: 01459885

Rupali Verma

(Company Secretary)

ICSI Member. No: A42923

Place : Ahmedabad

Date: May 25, 2023

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1.1 COMPANY INFORMATION

Monarch Network Capital Limited (MNCL) was originally formed under the name of "Networth Finance Limited" on December 2, 1993. Thereafter, it was changed to Networth Stock Broking Limited w.e.f. 30/09/1997 and to Monarch Network 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 Depository 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:

1.1.1 Subsidiaries

Name of the Company	Principal Activities	Proportion (%) of equity Interest	
		As at March 31, 2023	As at March 31, 2020
Monarch Network Finserve Private Limited	NBFC Business	100	100
Monarch Network Investment Advisory Private Limited	Insurance Business	99.99	99.99
Monarch Network Capital IFSC Private Limited	IFSC Activities	99.99	99.99
Monarch Network Money Changers Private Limited	Currency Changing	100	100

1.1.2 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.

SIGNIFICANT ACCOUNTING POLICIES

1.2 BASIS OF PREPARATION

1.2.1 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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.

1.2.2 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 :

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.

1.2.3 Functional and presentation currency:

These Consolidated Financial Statements are presented in INR, which is the Company's functional currency.

1.2.4 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.

1.2.5 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 of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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.

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 the policies adopted by the Group. Unrealised gain on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

1.2.6 Business Combination

The Group has selected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after April 1, 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.

1.2.7 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.

1.2.8 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 items less 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 for use, 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.

1.2.9 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 amortised in 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.

1.2.10 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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.

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.

1.2.11 Leases- Company as a lessee

Policy applicable with effect from April 1, 2019

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- ✓ the contract involves the use of an identified asset;
- ✓ the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- ✓ the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 - Leases - which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning from April 1, 2019 using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Company as a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

On transition, the Company has applied following practical expedients:

- ☑ Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

- ✓ Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.
- ✓ Excluded the initial direct costs from the measurement of the right-of-use-asset at the date of transition.
- ✓ Grandfathered the assessment of which transactions are, or contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. Relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review.
- ✓ Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, the Company carried out a test of lease liability measured at the present value of the remaining lease payments. Based on the analysis of the management, the board is of the opinion that there is no significant impact of the application of provision on the financial statements of the company.

1.2.12 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.

1.2.13 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 Ind AS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 balancesheet if there is a currently enforceable

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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.

1.2.14 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. 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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.

1.2.15 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.

1.2.16 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.

1.2.17 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

1.2.18 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.

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".

1.2.19 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.

1.2.20 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1.2.21 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.

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.

1.2.22 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1.2.23 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 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 March 31, 2023

(Currency: ₹ in lakhs)

NOTE 2: PROPERTY, PLANT & EQUIPMENT

Description	Air Conditioners	Computer	Furniture & Fixtures	Vehicles	Office Equipment	Leasehold Improvements	Office Premises	Total
Gross Carrying Amount								
As at April 1, 2021 (A)	87.32	408.88	124.24	216.09	113.14	-		949.68
Additions	0.29	80.40	-	-	16.35	13.51		110.54
Deletions	0.51	3.59	-	-	1.91			6.01
As at March 31, 2022 (B)	87.11	485.69	124.24	216.09	127.60	13.51		1,054.24
Additions	2.17	96.71	0.17	22.86	22.67	63.13	196.97	404.67
Deletions	-	0.70	-	-	-			0.70
As at March 31, 2023 (C)	89.28	581.70	124.41	238.95	150.26	76.63	196.97	1,458.20
Accumulated Depreciation								
As at April 1, 2021 (D)	27.57	251.00	53.00	46.01	57.55			435.12
Depreciation for the period	16.21	37.04	8.63	21.38	15.86	0.04		99.15
Deletions	0.49	3.28	-	-	1.57			5.34
As at March 31, 2022 (E)	43.28	284.74	61.64	67.38	71.84	0.04		528.91
Depreciation for the period	15.90	45.60	8.35	20.36	15.87	3.53	2.78	112.40
Deletions	-	0.67	-	-	-			0.67
As at March 31, 2023 (F)	59.18	329.69	70.00	87.74	87.71	3.57	2.78	640.66
Net Block								
As at March 31, 2022 (B) - (E)	43.83	200.95	62.60	148.71	55.76	13.47	-	525.32
As at March 31, 2023 (C) - (F)	30.10	252.01	54.42	151.22	62.55	73.06	194.18	817.54

Notes:

1. Title deeds of Immovable Properties not held in name of the Company

The Company do not have any immovable properties where title deeds are not held in the name of the company.

2. Revaluation of PPE

Since the company has not carried out any revaluation of its Property, Plant and Equipment (including Right-of-Use Assets) held by the company during the year, the requirement of disclosure regarding any revaluation of the same is not applicable to the company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 3: INTANGIBLE ASSETS

Description	Computer Software
Gross Carrying Amount	
As at April 1, 2021 (A)	11.43
Additions	-
Deletions	-
As at March 31, 2022 (B)	11.43
Additions	-
Deletions	-
As at March 31, 2023 (C)	11.43
Accumulated Depreciation	
As at April 1, 2021 (D)	8.27
Amortisation for the period	0.97
Deletions	-
As at March 31, 2022 (E)	9.24
Amortisation for the period	-
Deletions	-
As at March 31, 2023 (F)	9.24
Net Block	
As at March 31, 2022 (B) - (E)	2.19
As at March 31, 2023 (C) - (F)	2.19

Notes:

1. Revaluation of Intangible assets

Since the company has not carried out any revaluation of its intangible assets held by the company during the year, the requirement of disclosure regarding any revaluation of the same is not applicable to the company.

NOTE 4: NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
A. Investment in other equity instruments measured at Fair Value through OCI (Quoted)		
- Sadbhav Engineering Limited (1,310 (Previous year: 1,310)) equity shares of ₹ 10 each, fully paid up)	0.35	0.35
- Unistar Multimedia Limited (0 (Previous Year: 7,74,262)) equity shares of ₹ 10 each, fully paid up)	-	104.91
- Deep Industries Limited (3,00,000 (Previous Year:0)) equity shares of ₹ 10 each, fully paid up)	684.30	-
- Bombay Stock Exchange Limited- (13,329 (Previous year: 13,329)) equity shares of ₹ 2 each, fully paid up)	125.83	125.83
- Rattanpower India Limited (2,29,000 (Previous year: 2,29,000)) equity shares of ₹ 10 each, fully paid up)	12.21	12.21
	822.69	243.28

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
B. Investment in Mutual/Other Funds measured at Fair Value through OCI (Quoted)		
- Monarch Network Capital Limited Compounder Fund	529.96	815.32
- Monarch Network Capital Limited Compounder Fund AIF - I	1,000.00	-
	1,529.96	815.32
Total Quoted Investemems (A+B)	2,352.65	1,058.60
C. Investment in Associate Company (Unquoted-fully paid-up)		
Investment in Network Financial Service Limited (9,49,400 (Previous year: 9,49,400) equity shares of ₹ 10 each, fully paid up)	87.88	87.96
	87.88	87.96
Total Unquoted Invesetment in equity of Associate & Others (C+D)	87.88	87.97
Total Investments	2,440.53	1,146.58
Aggregate amount of quoted investments and market value thereof	2,352.65	1,058.60
Aggregate amount of unquoted investments	87.88	87.97
	2,440.53	1,146.57

NOTE 5: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured considered good unless stated otherwise :		
a. Security Deposits		
Deposit with Stock Exchange & Financial Institutions*	265.10	270.91
b. Other Deposits		
Deposits for Arbitration/Assessment Order**	252.36	270.07
Deposits for Office Premises	838.12	869.30
Deposits for Telephone, VSAT, Electricity etc.	8.89	8.97
Total	1,364.47	1,419.25

Notes

*The deposits are kept with Stock Exchanges as Security deposits for minimum and additional base capital requirements.

**Represent amount withheld by stock exchanges or related authorities for cases field by customers/creditors that are under arbitration.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 6: DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
The movement on the deferred tax account is as follows:		
At the start of the year	120.07	142.36
Charge/(credit) to statement of Profit and Loss	(7.43)	(25.01)
Charge/(credit) to statement of OCI	(1.05)	2.72
At the end of the year	111.59	120.07
Total	111.59	120.07

Note :- Refer note 33 for additional disclosures made on Defferes Tax Assets (Net)

NOTE 7: NON-CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Revenue Authorities (net of provisions)	332.66	208.87
Total	332.66	208.87

NOTE 8: INVENTORIES

Particulars	As at March 31, 2023	As at March 31, 2022
Stock in Trade*	1,741.61	1,448.29
Total	1,741.61	1,448.29

Notes:

*Stock in trade represents shares held as on balance sheet date at valued at fair value being shares held by virtue of acting as a merchant banker and market maker for the acquired equity shares. Balance in vandha & trading error A/c. are basically shares held as a result of Trading Error or Vandha Accounts of clients. In absence of information, disclosure relating quantity has not been given.

NOTE 9: TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
Trade Receivables from Stock Broking Activities (Secured)		
- considered good, outstanding for more then six month	382.25	342.72
- considered good, outstanding for less then six month	2,953.22	3,269.95
Total Trade Receivables	3,335.47	3,612.68
Others Trade Receivables: considered good		
Other Receivables	1,035.85	620.21
Total	4,371.32	4,232.89

- ✓ 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

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.

- ✓ The company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 36 : Fair value disclosures.
- ✓ 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 other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- ✓ Please also refer Note No. 73 for the Trade Receivables Ageing Schedule.

NOTE 10: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	2.14	3.47
Balance with Banks in current accounts	4,776.24	9,098.24
Total	4,778.37	9,101.71

Notes:

Bank balances as on March 31, 2022 and as on March 31, 2021 include cheques on hands, which were cleared subsequent to the year end on periodic basis.

NOTE 11: BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits held as margin deposits*	34,424.23	40,511.39
Other Fixed Deposits	403.00	177.98
Investments in Overnight Mutual Funds	-	500.00
Total	34,827.23	41,189.38

Notes:

* Fixed deposits are, under lien with banks towards bank guarantee, or kept as security with Exchanges as margin money/ arbitration matters.

NOTE 12: LOANS

Particulars	As at March 31, 2023	As at March 31, 2022
Loans measured at Amortised Cost		
Against Margin trading facility*	9,890.38	3,109.72
Against NBFC Funding	210.82	1,470.66
Total	10,101.19	4,580.38

Notes:

*Loans to customers are secured by pledge of Shares/Bonds/Mutual Funds and other allowable securities as per exchange rules.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 13: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable towards Exchange Early Payin	-	275.00
Total	-	275.00

NOTE 14: OTHER CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to Staff	24.32	6.92
Advances to Suppliers	50.94	51.74
Advance to Branches	2.19	2.44
Advance against capital goods	100.00	283.73
Prepaid Expenses	141.37	144.41
Interest accrued but not due	9.98	-
Total	328.80	489.24

NOTE 15: SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
a Authorised :		
Equity Shares of Re. 1/- each		
540,00,000 (Previous year 540,00,000) Equity shares of ₹ 10 each	5,400.00	5,400.00
60,00,000 (Previous Year 60,00,000) Redeemable Preference Shares of ₹ 10 each	600.00	600.00
5,00,000 (Previous Year 5,00,000) - 6% Cumulative Redeemable preference Share of ₹ 100/- each	500.00	500.00
TOTAL	6,500.00	6,500.00
b Issued and Subscribed and Paid up:		
3,10,49,518 (Previous year 3,10,49,518) Equity shares fully paid up	3,104.95	3,104.95
Add: Issued during the year 28,20,000 Equity shares	282.00	-
TOTAL	3,386.95	3,104.95
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) : Issued during the year	28,20,000	-
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	3,38,69,518	3,10,49,518

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

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 ₹ 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.

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.

The Board of Directors of Monarch network Capital Ltd, have recommended a Dividend for the financial year ended on 31/03/2023 @ 10% (i.e. ₹ 1/-) per equity share (Previous Year @ 10% (i.e. ₹ 1/-) per equity share) to the equity shareholders. The Dividend will be paid after the approval of shareholders at ensuing Annual General Meeting. The date of book closure for the entitlement of such dividend and Annual General Meeting shall be decided and informed in due course of time.

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

Equity share	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	%	No. of Shares	%
Vaibhav Jayantilal Shah	31,08,815	9.18%	31,08,815	10.01%
Suresh Babulal Bafna	25,12,500	7.42%	25,12,500	8.09%
Bela Himanshu Shah	24,06,000	7.10%	24,06,000	7.75%
Bankim Jayantilal Shah	22,06,000	6.51%	22,06,000	7.10%
Gaurav Bhandari	18,00,000	5.31%	-	0.00%
Suresh P Jain	-	0.00%	16,42,137	5.29%
Care Wealth Advisors LLP	-	0.00%	17,19,463	5.54%

f Details of Shares held by Promoters/ Promoter group at the end of the year

Equity share	As at March 31, 2023		
	No. of Shares	%	% Change during the year
Ashok Daulatraj Bafna	7,03,500	2.08%	0.00%
Bankim Jayantilal Shah	22,06,000	6.51%	0.00%
Bela Himanshu Shah	24,06,000	7.10%	0.00%
Hemangi Bankim Shah	1,00,000	0.30%	0.00%
Himanshu Jayantilal Shah	12,06,000	3.56%	0.00%
Kinnari Vaibhav Shah	12,04,000	3.55%	0.00%
Manju Suresh Bafna	15,62,557	4.61%	1.30%
Shailen Ramesh Shah	7,03,500	2.08%	0.00%
Simandhar Securities Pvt Ltd	14,46,000	4.27%	0.00%
Suresh Babulal Bafna	25,12,500	7.42%	0.00%
Vaibhav Jayantilal Shah	31,08,815	9.18%	0.00%

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Equity share	As at March 31, 2022		
	No. of Shares	%	% Change during the year
Ashok Daulatraj Bafna	7,03,500	2.27%	0.00%
Bankim Jayantilal Shah	22,06,000	7.10%	0.00%
Bela Himanshu Shah	24,06,000	7.75%	0.00%
Hemangi Bankim Shah	1,00,000	0.32%	0.00%
Himanshu Jayantilal Shah	12,06,000	3.88%	0.00%
Kinnari Vaibhav Shah	12,04,000	3.88%	0.00%
Manju Suresh Bafna	15,42,557	4.97%	2.33%
Shailen Ramesh Shah	7,03,500	2.27%	0.00%
Simandhar Securities Pvt Ltd	14,46,000	4.66%	0.00%
Suresh Babulal Bafna	25,12,500	8.09%	0.00%
Vaibhav Jayantilal Shah	31,08,815	10.01%	0.00%

- 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 financial year 2021-2022, the Company has issued 29,90,000 Fully Convertible Warrants to the persons belonging to 'Non-Promoter' category, on a preferential basis, at a issue price of ₹ 72/- per warrant, for an aggregate amount of ₹ 2,152.80 lakhs, entitling them for subscription of equivalent number of fully paid-up Equity Shares of face value of ₹ 10/- each (including premium of ₹ 62/- per Share), under Regulation 28(1) of the SEBI (LODR) Regulations, 2015.

The holder of the warrants are required to exercise the option to subscribe to equity shares of face value of ₹ 10/- each (including premium of ₹ 62/- per share), within a period of 18 months from the date of allotment.

During the year under review, on February 4, 2023 the Company had issued 28,20,000 Equity shares of face value of ₹ 10/- each (Rupees Ten Only) out of 29,90,000 Fully Convertible Warrants as specified above. Rest 1,70,000 Fully Convertible Warrants have been forfeited.

NOTE 16: OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves & Surplus		
Capital reserve - at the beginning of the year	151.64	151.64
Add: Addition during the year	30.60	-
At the end of the year	182.24	151.64
Securities premium - at the beginning of the year	3,475.69	3,475.69
Add: Addition during the year	1,748.40	
At the end of the year	5,224.09	3,475.69

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Share Warrants - at the beginning of the year		
Add: Addition during the year (Refer Note 15(h))	-	538.20
At the end of the year	-	538.20
Share Based Payment Reserve (Refer Note 57)		
Add: Compensation expense recognised during the year	309.49	-
At the end of the year	309.49	-
Retained earnings - at the beginning of the year	9,105.05	4,010.52
Add: Addition during the year	4,297.16	5,405.02
Less: Dividend Declared	(310.50)	(310.50)
At the end of the year	13,091.71	9,105.05
Total Reserves & Surplus	18,807.52	13,270.58
Other comprehensive income		
Remeasurements of the net defined benefit Plans	(17.59)	(9.49)
Add: Addition during the year	3.13	(8.10)
At the end of the year	(14.46)	(17.59)
Fair valuation of investments in equity shares	436.07	49.79
Add: Addition during the year	(21.91)	386.28
At the end of the year	414.16	436.07
Total Other comprehensive income	399.70	418.48
Total Other Equity	19,207.24	13,689.06

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

- Capital reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase.
- 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.
- Share Based Payment Reserve:** This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by the Company. Once shares are issued by the Company, the amount in this reserve will be transferred to Share capital, Securities premium or retained earnings.
- Retained earnings:** Retained earnings represents undistributed profits of the company.
- Other comprehensive income:**
 - 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.
 - Remeasurements of defined benefit liability comprises of actuarial gains and losses.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 17: NON CURRENT BORROWING

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Borrowings		
Vehicle Loans (Non Current Matuities)		
Loan from Kotak Mahindra Prime Limited	7.45	10.93
Loan from Daimler Financial Services India Ltd	11.75	25.18
Loan from BMW India India Financial Services Pvt. Ltd.	16.06	25.34
(Secured against hypothecation of respective vehicles)		
Unsecured Borrowings		
Loan from related parties	193.40	193.40
Total	228.67	254.84

NOTE 18: NON CURRENT PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current Provisions		
Provision for Gratuity	225.75	204.33
Total	225.75	204.33

NOTE 19: CURRENT BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Borrowings		
Overdraft from HDFC Bank	-	1,393.57
(Secured against hypothecation of Office premises & Securities, and Personal guarantee of Key Management Personnels)		
Current Maturities		
Vehicle Loans (Current Matuities)		
Loan from ICICI Bank Ltd	-	-
Loan from Kotak Mahindra Prime Limited	3.47	3.24
Loan from Daimler Financial Services India Ltd	13.33	12.22
Loan from BMW India India Financial Services Pvt. Ltd.	9.24	8.55
Unsecured Borrowings		
Loans from shareholders	-	-
- Other than promoter group	30.00	30.00
Total	56.03	1,447.59

Notes:

Please refer Note 59 regarding the carrying amounts of assets pledged as security for borrowings.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 20: TRADE PAYABLE

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payable - Stock Broking	32,280.29	41,177.84
Trade Payable -Expenses	159.66	58.72
Trade Payable -Others	73.08	54.94
Total	32,513.04	41,291.50

Notes:

- Please refer Note 43 -Dues to micro, small and medium enterprises, of the Financial Statements regarding dues to Dues to micro and small enterprises.
- Please also refer Note No. 74 for the Trade Payable Ageing Schedule.

NOTE 21: OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Salary & Reimbursements	133.69	25.11
Deposits from Clients	96.78	3,856.65
Deposits from Business Associates	4,807.53	254.57
Other Current Liabilities	249.67	144.46
Total	5,287.66	4,280.80

NOTE 22: CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax Payable (net of advance taxes/TDS)	75.60	163.71
Total	75.60	163.71

NOTE 23: CURRENT PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Expenses	12.95	29.06
Provision for Gratuity (Current)	38.00	35.21
Provision for CSR	95.18	19.57
Provisions for Standard Assets	0.84	5.88
Provision for NPA	-	-
Total	146.96	89.72

NOTE 24: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Remittances	88.87	208.76
Advance Brokerage from Client	0.74	3.86
Total	89.61	212.62

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE: 25 : REVENUE FROM OPERATIONS

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
(a) Interest Income		
Interest on margin funding	906.31	398.82
Interest on delayed payment	1,513.66	961.11
Interest on fixed deposits under the lien with stock exchanges	2,095.55	1,873.42
Interest from NBFC Services	86.16	414.08
	4,601.68	3,647.43
(b) Fees and Commission Income		
Brokerage	7,430.58	8,295.01
Income from depository Operation	232.27	501.78
Financial Products Distribution	180.00	108.37
Income from Insurance services	124.39	130.00
Other Operating Income	535.50	244.04
	8,502.76	9,279.20
(c) Merchant banking and other services	2,269.90	825.50
(d) Asset Management Services	217.88	695.76
Total	15,592.22	14,447.89

Notes:

Please refer Note 58 regarding additional disclosure for Revenue from Contract with Customers.

NOTE: 26 : OTHER INCOME

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
(a) Profit & loss on sale of securities	437.76	903.98
(b) Other Income		
Dividend Income	7.35	5.13
Interest Income		
(i) From banks on fixed deposits	8.65	8.65
(ii) Other interest income	106.50	2.87
Other non-operating Income	48.67	87.61
Total	608.91	1,008.24

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 27: EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Salary & Other Allowances		
Employee Salary	2,701.73	2,528.67
Director Remuneration	75.19	71.66
Performance Incentive	1,577.88	626.95
Contribution to Provident & Other fund	141.26	169.28
Staff Welfare Charges	118.66	46.23
Employee Compensation Expenses	309.49	-
Total	4,924.20	3,442.79

NOTE 28: FEES AND COMMISSION EXPENSE

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Sub Brokerage & Commission Expenses	2,189.68	2,494.70
Total	2,189.68	2,494.70

NOTE: 29 : FINANCE COST

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Interest expense on:		
Temporary overdrafts availed from banks	12.72	7.95
Car Loans	6.23	8.09
Other Interests	372.98	112.21
Other borrowing costs:		
Bank Guarantee Charges	163.22	76.27
Other Charges	21.09	0.40
Total	576.26	204.92

NOTE: 30 : OTHER EXPENSES

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Legal & Professional Charges	485.78	290.46
Sales & Marketing expenses	82.50	134.22
Depository charges	86.27	102.06
Exchange Expenses	229.33	16.09
Connectivity Charges	110.49	55.86
Software Charges	259.38	239.02

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Rent Rates & Taxes	545.89	480.59
Electricity Charges	75.98	65.58
Telephone Charges	25.96	61.85
Repairs & Maintenance	74.06	78.51
Manpower supply charges	14.50	16.01
Postage & Courier Charges	12.09	15.37
Conveyance & Travelling	102.47	53.62
Printing and stationery	16.43	14.11
Office expenses	44.62	45.63
Membership Fees & Subscription	75.60	61.16
Insurance Charges	5.28	4.17
Auditors' Remuneration (Refer Note 53)	6.80	6.65
Corporate Social Responsibility	95.18	64.79
Charity & Donations	3.17	15.25
Bad debt written off /written back	37.77	(1.13)
Other Expenses	65.85	65.15
Advertisement & Business Promotion Expenses	155.51	100.64
Total	2,610.88	1,985.66

NOTE: 31 : STATEMENT OF OTHER COMPREHENSIVE INCOME

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans	4.18	(10.82)
(ii) Equity Instruments through Other Comprehensive Income	(21.91)	386.28
(iii) Income tax related to items that will not be reclassified to profit or loss	(1.05)	2.72
Total	(18.78)	378.18

NOTE 32: 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

i. Profit attributable to Equity holders

	March 31, 2023	March 31, 2022
Profit attributable to equity holders :		
Continuing operations	4,278.38	5,783.20
Discontinued operations	-	-
Profit attributable to equity holders for basic earnings	4,278.38	5,783.20
Adjustments:		
Others	-	-
Profit attributable to equity holders adjusted for the effect of dilution	4,278.38	5,783.20
ii. Weighted average number of ordinary shares		
Weighted average number of shares at March 31 for Basic EPS	338.70	310.50
Weighted average number of shares at March 31 for Diluted EPS	338.70	340.40
Basic and Diluted earnings per share		
Basic earnings per share	12.63	18.63
Diluted earnings per share	12.63	16.99

NOTE 33: TAX EXPENSE

(a) Amounts recognised in profit and loss

	For the year ended	
	March 31, 2023	March 31, 2022
Current income tax	1,479.46	1,793.77
Changes in tax estimates of prior years	8.40	(33.79)
MAT Receivable	-	25.92
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	7.43	25.62
Change in tax rate	-	-
Deferred tax expense	7.43	25.62
Tax expense for the year	1,495.29	1,811.51

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

(b) Amounts recognised in other comprehensive income

	For the year ended March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	4.18	(1.05)	3.13
Equity Instruments through Other Comprehensive Income	(21.91)	-	(21.91)
Items that will be reclassified to profit or loss	-	-	-
	(17.73)	(1.05)	(18.78)

	For the year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of the defined benefit plans	(10.82)	2.72	(8.10)
Equity Instruments through Other Comprehensive Income	386.28	-	386.28
Items that will be reclassified to profit or loss	-	-	-
	375.47	2.72	378.18

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

	For the year ended	
	March 31, 2023	March 31, 2022
Profit before tax	5,792.53	7,216.60
Statutory income tax rate	25.168%	25.168%
Tax using the Company's domestic tax rate	1,457.86	1,816.27
Tax effect of:		
Non-deductible tax expenses	69.79	69.71
Deductions Under Income Tax Act	(47.27)	(40.88)
Subsidiary / Other Adjustments	(0.93)	(51.33)
	1,479.46	1,793.77

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

(d) Movement in deferred tax balances

Particular	Net balance April 1, 2022	Recognised in profit or loss	Recognised in OCI	March 31, 2023	
				Net	Deferred tax asset/ (Deferred tax liability)
Deferred tax asset/(liabilities)					
Property, plant and equipment	61.08	(14.63)	-	46.44	46.44
Compensated absences and gratuity	58.99	7.20	(1.05)	65.14	65.14
Tax assets (Liabilities)	120.07	(7.43)	(1.05)	111.59	111.59
Set off tax	-	-	-	-	-
Net tax assets	120.07	(7.43)	(1.05)	111.59	111.59

(e) Movement in deferred tax balances

Particular	Net balance April 1, 2021	Recognised in profit or loss	Recognised in OCI	March 31, 2022	
				Net	Deferred tax asset/ (Deferred tax liability)
Deferred tax asset/(Liabilities)					
Property, plant and equipment	83.22	(22.13)	-	61.08	61.08
Compensated absences and gratuity	59.14	(2.88)	2.72	58.99	58.99
Tax assets (Liabilities)	142.36	(25.01)	2.72	120.07	120.07
Set off tax	-	-	-	-	-
Net tax assets	142.36	(25.01)	2.72	120.07	120.07

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.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 34: 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 on March 31, 2023	Year Ended on March 31, 2022
Contribution to Provident Fund	85.71	78.05
Contribution to ESIC	5.67	6.32
	91.38	84.37

(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 March 31, 2021. 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:

	March 31, 2023	March 31, 2022
Net defined benefit asset (grouped as "Advances to Suppliers")	6.07	8.89
Total employee benefit asset	6.07	8.89
Net defined benefit liability		
Liability for Gratuity	263.74	239.54
Total employee benefit liabilities	263.74	239.54
Non-current	225.75	204.33
Current	38.00	35.21

Notes to Consolidated Financial Statements

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(Currency: ₹ in lakhs)

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	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening balance	248.46	211.37	8.89	5.56	239.56	205.80
Included in profit or loss					-	-
Current service cost	32.84	29.04	-	-	32.84	29.04
Past service cost	-	-	-	-	-	-
Interest cost (income)	11.38	9.20	-	-	11.38	9.20
Others	-	-	-	-	-	-
	292.68	249.60	8.89	5.56	283.78	244.04
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(13.98)	(2.51)	-	-	(13.98)	(2.51)
Experience adjustment	7.05	22.41	-	-	7.05	22.41
Return on plan assets excluding interest income	-	-	0.32	0.17	(0.32)	(0.17)
	(6.93)	19.90	0.32	0.17	(7.26)	19.73
Other						
Other						
Contributions paid by the employer	(3.14)	-	-	5.00	(3.14)	(5.00)
Benefits paid	(12.08)	(22.07)	(3.14)	(1.83)	(8.95)	(20.23)
Subsidiary adjustment	(0.71)	1.02			(0.71)	1.02
Closing balance	269.81	248.46	6.07	8.89	263.73	239.54
Represented by:						
Fair value of plan assets					6.07	8.89
Defined benefit obligation					269.81	248.46
Net Defined benefit liability					263.75	239.54

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, 2022	85.08	58.52	48.25	34.17	26.24	55.74
March 31, 2023	76.03	48.36	38.54	31.92	22.62	49.88

Notes to Consolidated Financial Statements

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C. Plan assets

Plan assets comprise the following:

	March 31, 2023	March 31, 2022
Policy of insurance	100%	100%
Bank Balance	0%	0%
	100%	100%

D. Defined benefit obligations

i. Actuarial assumptions

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

	March 31, 2023	March 31, 2022
Discount rate	7.30%	5.65%
Salary escalation rate	5.10%	5.10%
Withdrawal Rates	30% at all ages	30% at all ages
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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.

	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Rate of discounting (0.50% movement)	256.83	263.23	232.49	238.69
Rate of salary increase (0.50% movement)	263.16	256.86	238.61	232.54
Rate of employee turnover (10% movement)	259.07	260.73	233.58	237.59

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 35: 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	Year ended
	March 31, 2023	March 31, 2022
Lease Rental Payments	545.89	480.59
	545.89	480.59

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

b) Future minimum lease payments

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

	March 31, 2023	March 31, 2022
Less than one year	491.12	451.54
Between one and five years	975.82	579.53
	1,466.94	1,031.07

c) Adoption of Ind AS 116

The Company has adopted Ind AS 116, effective annual reporting period beginning from April 1, 2019 using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019).

On transition, the Company carried out a test of lease liability measured at the present value of the remaining lease payments. Based on the analysis of the management, the board is of the opinion that there is no significant impact of the application of provision on the financial statements of the company, considering the nature, amount and tenure of the lease agreements. Hence no recognition of the Right of use assets and corresponding Lease liabilities and provision for Interest cost on lease liabilities and Depreciation on right of use assets are made by the company. Lease rentals paid by the company are recognised under the head "Other Expenses" under Note No 25 in the notes to the financial statements and Security Deposits are recognised as "Other Non-Current Financial Assets" under Note No 5 in the notes to the financial statements."

NOTE 36: 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.

March 31, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	-	2,440.53	-	2,440.53	822.69	-	-	822.69
Other Non-Current Financial Assets	-	-	1,364.47	1,364.47	-	-	-	-
Trade receivables	-	-	4,371.32	4,371.32	-	-	-	-
Cash and cash equivalents	-	-	4,778.37	4,778.37	-	-	-	-
Balances other than Cash and cash equivalents	-	-	34,827.23	34,827.23	-	-	-	-
Current Loans	-	-	10,101.19	10,101.19	-	-	-	-
Other Current Financial Assets	-	-	-	-	-	-	-	-
	-	2,440.53	55,442.59	57,883.11	822.69	-	-	822.69
Financial liabilities								
Non-current borrowings	-	-	228.67	228.67	-	-	-	-
Current borrowings	-	-	56.03	56.03	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

March 31, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Trade payables	-	-	32,513.04	32,513.04	-	-	-	-
Other Current financial liabilities	-	-	5,287.66	5,287.66	-	-	-	-
	-	-	38,085.39	38,085.39	-	-	-	-

March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	-	1,146.57	-	1,146.57	243.28	-	-	243.28
Other Non-Current Financial Assets	-	-	1,419.25	1,419.25	-	-	-	-
Trade receivables	-	-	4,232.89	4,232.89	-	-	-	-
Cash and cash equivalents	-	-	9,101.71	9,101.71	-	-	-	-
Balances other than Cash and cash equivalents	-	-	41,189.38	41,189.38	-	-	-	-
Current Loans	-	-	4,580.38	4,580.38	-	-	-	-
Other Current Financial Assets	-	-	275.00	275.00	-	-	-	-
	-	1,146.57	60,798.59	61,945.17	243.28	-	-	243.28
Financial liabilities								
Non-current borrowings	-	-	254.84	254.84	-	-	-	-
Current borrowings	-	-	1,447.59	1,447.59	-	-	-	-
Trade payables	-	-	41,291.50	41,291.50	-	-	-	-
Other Current financial liabilities	-	-	4,280.80	4,280.80	-	-	-	-
	-	-	47,274.74	47,274.74	-	-	-	-

- (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 Consolidated Financial Statements

for the year ended March 31, 2023

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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 March 31, 2023 are as follows:

Date	Trade Receivable	Trading Loans	Total
March 31, 2023	4,371.32	10,101.19	14,472.51
March 31, 2022	4,232.89	4,580.38	8,813.27

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

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(Currency: ₹ in lakhs)

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.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics as follow:

Receivable from Exchange (Unsecured) : There are no historical loss incurred in respect of Receivable from exchange. Entire exposure/receivable as at each reporting period is received and settled within 7 days from reporting period. Therefore, no ECL is recognised in respect of receivable from exchange.

Receivable from Brokerage and depository: Company has large number of customer base with shared credit risk characteristics. As per policy of the Company, trade receivable to the extent not covered by collateral (i.e. unsecured trade receivable) is considered as default and are fully written off as bad debt against respective trade receivables and the amount of loss is recognised in the Statement of Profit and Loss. Subsequent recoveries of amounts previously written off are credited to the income statement as bad debts recovered. Trade receivable of the company are of short duration with credit period ranging up to maximum 30 days. In case of delay in collection, the Company has right to charges interest (commonly referred as delayed payment charges) on overdue amount for the overdue period. However, in case of receivable from depository, the Company doesn't have right to charge interest. Though credit period given to customer in respect of receivable from depository is very short, generally there is significant delay in ultimate collection. The Company has computed expected credit loss due to significant delay in collection. Incremental borrowing rate is considered as effective interest rate on these trade receivable for the purpose of computing time value loss.

Receivables from margin trading facility: In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The expected credit loss is a product of exposure at default (EAD), probability of default (PD) and Loss given default (LGD). The financial assets have been segmented into three stages based on the risk profiles, primarily based on past due. Company has large number of customer base with shared credit risk characteristics. Receivables against margin trading facilities are secured by collaterals. As per policy of the Company, Receivables against Margin trade facilities to the extent not covered by collateral (i.e. unsecured portion) is considered as default and are fully written off as bad debt against respective loan receivables and the amount of loss is recognised in the Statement of Profit and Loss. Subsequent recoveries of amounts previously written off are credited to the Statement of Profit and Loss as bad debts recovered. As per Ind AS 109, the maximum period to consider when measuring expected credit losses is the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice. Therefore, the maximum period to consider when measuring expected credit losses for these loans is the maximum contractual period (i.e. on demand/one day). ECL is computed assuming that these loans are fully recalled by the Company at each reporting period.

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 Consolidated Financial Statements

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At March 31, 2023, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	Carrying amount (in ₹)	
	March 31, 2023	March 31, 2022
India	14,472.51	8,813.27
	14,472.51	8,813.27

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:

	March 31, 2023	March 31, 2022
Opening balance	-	-
Provision for receivables impairment	37.77	34.37
Receivables written off during the year as uncollectible	(37.77)	(34.37)
Provision released during the year	-	-
Closing balance	-	-

With the applicability of Ind AS 109, the recognition and measurement of impairment of financial assets is based on credit loss assessment by expected credit loss (ECL) model. The ECL assessment involve significant management judgement. 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, like staging criteria, calculation of probability of default / loss and consideration of probability weighted scenarios and forward looking macroeconomic factors. The board acknowledges and understands that these factors, since there is a large increase in the data inputs required by the ECL model, which increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. Based on the internal management analysis, as per Board Opinion, there is no requirement of provision for expected credit loss in several financial assets including the trade receivables and other receivables of the Company and all are on fair value, based on the assessment and judgement made by the board of the company.

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.

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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.

March 31, 2023	Carrying amount	Contractual cash flows			
		Total	12 months or less	1-5 years	More than 5 years
₹					
Non-derivative financial liabilities					
Non-current borrowings	228.67	228.67	-	228.67	-
Current borrowings	56.03	56.03	56.03	-	-
Trade payables	32,513.04	32,513.04	32,513.04	-	-
Other financial liabilities	5,287.66	5,287.66	5,287.66	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-
March 31, 2022					
	Carrying amount	Total	12 months or less	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non-current borrowings	254.84	254.84	-	254.84	-
Current borrowings	1,447.59	1,447.59	1,447.59	-	-
Trade payables	41,291.50	41,291.50	41,291.50	-	-
Other financial liabilities	4,280.80	4,280.80	4,280.80	-	-
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.

Notes to Consolidated Financial Statements

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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:

	Nominal amount in ₹	
	March 31, 2023	March 31, 2022
Fixed-rate instruments		
Financial assets	34,827.23	41,189.37
Financial liabilities	61.30	85.45
	34,765.94	41,103.91
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	1,393.57
	-	(1,393.57)
Total	34,765.94	39,710.34

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 37: 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 March 31, 2023 was as follows.

Particular	₹	
	As at March 31, 2023	As at March 31, 2022
Total Borrowings	284.70	1,702.43
Less : Cash and cash equivalent **	4,778.37	9,101.71
Adjusted net debt	(4,493.67)	(7,399.29)

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Particular	₹	
	As at March 31, 2023	As at March 31, 2022
Total equity	22,594.19	16,794.00
Less : Hedging reserve	-	-
Adjusted equity	22,594.19	16,794.00
Adjusted net debt to adjusted equity ratio	(0.20)	(0.44)

** Cash and cash equivalents excludes the balances other than Cash and cash equivalents

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 38: RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

A Nature of relationship

I Subsidiary Companies

- a Monarch Network Finserve Private Limited
- b Monarch Network Investment Advisors Private Limited
- c Monarch Network Capital IFSC Pvt Ltd
- d Monarch Network Money Changers Private Limited

II Associate Companies

- a Network Financial Services Ltd

III Enterprises over which Directors / Promotor / KMP and their relatives exercise significant influence

- 1 Premjayanti Properties
- 2 Monarch Infra Ventures
- 3 Krone Investments
- 4 Vibrant Investments
- 5 Mahaveer Equibiz
- 6 Monarch Comtrade Private Limited
- 7 Monarch Infraparks Private Limited
- 8 Premjayanti Enterprises Private Limited
- 9 Yantra E Solar Private Limited
- 10 Krone Finstock Private Limited
- 11 R K Investments
- 12 Opp Basket Private Limited
- 13 Sur-Man Investment Limited
- 14 Simandhar Securities Private Limited
- 15 Samarpan Properties Private Limited

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

16 GSEC Monarch & Deccan Aviation Private Limited

17 MNCL Compounder Fund

18 MNCL Compounder Fund-I

IV Promoters / Key Management Personnel and their relatives

1 Mr. Vaibhav Shah (Managing Director)

2 Mrs. Manju Bafna (Wholetime Director)

3 Mr. Ashok Bafna (Wholetime Director)

4 Mr. Gaurav Bhandari (CEO)

5 Mr. Chetan Bohra (Director)

6 Ms Avni Chouhan (Director)

7 Mr. Satish Kumar (Director)

8 Ms Rupali Verma (Company Secretary)

9 Mrs Hetvi Gandhi (CFO)

10 Mrs. Kinnari Shah (Promoter)

11 Mr. Bankim Shah (Promoter Operation Head)

12 Mr. Himanshu Shah (Managing Director)

13 Mr. Suresh Bafna (Promoter)

14 Mrs Bela Shah (Promoter)

15 Mr. Shailen Shah (Promoter /President Institutional Desk)

16 Mrs. Hemangi B. Shah (Promoter)

17 Mr. Suresh Pukhraj Jain (Promoter)

18 Mrs. Kanta Jain (Spouse Of Promoter)

19 Vaidik Ashok Bafna (Son Of Promoter)

20 Darshika Shailen Shah (Spouse Of Promoter)

21 Dimple Bafna (Related To Promoter)

22 Khushi Ashok Bafna (Daughter Of Promoter)

23 Mahek Shailen Shah (Daughter Of Promoter)

24 Manish Bafna (Brother Of Promoter)

25 Manish Bafna HUF (Related To Promoter)

26 Manjula Ramesh Shah (Mother Of Promoter)

27 Nirmi Shailen Shah (Daughter Of Promoter)

28 Nitin Ramesh Shah (Brother Of Promoter)

29 Nitin Ramesh Shah HUF (Related To Promoter)

Notes to Consolidated Financial Statements

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(Currency: ₹ in lakhs)

- 30 Savita Ashok Bafna (Spouse Of Promoter)
- 31 Anushree Shah (Daughter Of Promoter)
- 32 Kavish shah (Son Of Promoter)
- 33 Premilaben Jayantibhai Shah (Mother Of Promoter)
- 34 Jayantilal Shah (Father of Promoter)
- 35 Ashok Bafna HUF (Related to Promoter)
- 36 Vaibhav Shah HUF (Related to Director)
- 37 Himanshu Shah HUF (Related to Promoter)
- 38 Bankim Shah HUF (Related to Promoter)

Notes :

- The related party relationship have been determined on the basis of the requirement of the Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' and the same have been relied upon by the auditors.
- The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the current year/previous year, except where control exists, in which case the relationships have been mentioned irrespective of transactions with the related party.

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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue								
Interest Income	-	-	17.02	0.35	0.01	0.01	17.03	0.36
Demat Charges Income	-	-	0.20	0.21	0.12	0.18	0.32	0.40
Brokerage Income	-	-	106.11	28.11	13.00	0.92	119.11	29.03
Asset Management Services	-	-	217.88	695.76	-	-	217.88	695.76
Total	-	-	341.21	724.43	13.13	1.11	354.33	725.54
Expenses								
Professional Fees Paid	-	-	-	-	39.00	33.00	39.00	33.00
Salaries & Incentive	-	-	-	-	1,292.29	611.54	1,292.29	611.54
Interest Paid	-	-	157.72	12.10	25.42	-	183.14	12.10
Lease Rent Paid	-	-	162.00	162.00	60.00	60.00	222.00	222.00
Total	-	-	319.72	174.10	1,416.71	704.54	1,736.43	878.64

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

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	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Outstanding Balances								
Investments as on								
Network Financial Service Ltd.	-	-	87.88	87.96	-	-	87.88	87.96
Monarch Network Capital Limited Compounder Fund	-	-	529.96	815.32	-	-	529.96	815.32
Monarch Network Capital Limited Compounder Fund AIF-I	-	-	1,000.00	-	-	-	1,000.00	-
Total	-	-	1,617.84	903.28	-	-	1,617.84	903.28
Receivables / Advances								
Network Financial Services Ltd.	-	-	-	0.18	-	-	-	0.18
Suresh Babulal Bafna	-	-	-	-	0.00	0.00	0.00	0.00
Premilaben Jayantilal Shah	-	-	-	-	3.87	3.87	3.87	3.87
Vaidik Ashok Bafna	-	-	-	-	0.00	0.00	0.00	0.00
Anushree Shah	-	-	-	-	0.00	-	0.00	-
Vibrant Investment	-	-	-	23.45	-	-	-	23.45
Yantra Esolar India Private Limited	-	-	5.82	-	-	-	5.82	-
Total	-	-	5.82	23.63	3.87	3.87	9.69	27.50
Payables/Loan								
Monarch Infra Venture	-	-	-	119.07	-	-	-	119.07
Shailen Shah	-	-	-	-	1.34	34.27	1.34	34.27
Darshika Shailen Shah	-	-	-	-	0.67	33.13	0.67	33.13
Manjula Ramesh Shah	-	-	-	-	0.61	26.84	0.61	26.84
Nitin Ramesh Shah	-	-	-	-	5.29	16.07	5.29	16.07
Nitin Ramesh Shah HUF	-	-	-	-	4.59	29.96	4.59	29.96
Krone Finstock Pvt Ltd	-	-	1,170.24	-	-	-	1,170.24	-
Krone Investments	-	-	0.00	248.23	-	-	0.00	248.23
Premjayanti Enterprise Pvt Ltd	-	-	0.00	-	-	-	0.00	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Yantra Esolar India Private Limited	-	-	-	41.56	-	-	-	41.56
Anushree Shah	-	-	-	-	0.73	-	0.73	-
Dimple Bafna	-	-	-	-	5.83	33.95	5.83	33.95
Manish Bafna	-	-	-	-	1.14	0.25	1.14	0.25
Manish Bafna HUF	-	-	-	-	3.91	17.76	3.91	17.76
Manju Bafna	-	-	-	-	2.43	25.79	2.43	25.79
Suresh Bafna	-	-	-	-	-	-	-	-
Vaidik Ashok Bafna	-	-	-	-	-	-	-	-
Mahaveer Equibiz	-	-	-	432.37	-	-	-	432.37
Networth Financial Services Ltd.	-	-	193.40	193.40	-	-	-	-
Total	-	-	1,363.64	1,034.63	26.55	218.02	1,196.78	1,059.25

Terms and conditions of transactions with related parties:

- All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.
- Outstanding balances at the year-end are unsecured and settlement occurs in cash.
- 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.
- For the current year, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Previous Year: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 39: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Contingent liabilities	March 31, 2023	March 31, 2022
Bank Guarantee	21,696.00	10,546.00
Income Tax matters pending with various authorities	611.20	739.46
Service Tax matters pending with various authorities	89.18	64.72
(Merged Entity -Monarch Project & Finmarkets Limited and Monarch Research Brokerg Pvt Ltd)		
Client Litigation matter	51.01	63.17

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Notes

- (i) There are certain claims aggregating to ₹ 51.01 lakhs (previous year ₹ 63.17 lakhs) 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, 2023.
- (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.
- (iv) In respect of NBFC Business, Monarch Network Finserve Private Limited has received order u/s 143(3) of the Income Tax Act, 1961 for A.Y 2011-12 and demand of ₹ 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 ₹ 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 Network Finserve Private Limited has received order u/s 143(3) of the Income Tax Act, 1961 for A.Y 2012-13 and demand of ₹ 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 Network Finserve Private Limited has received order u/s 143(3) of the Income Tax Act, 1961 for A.Y 2014-15 and demand of ₹ 4.13 Lakhs raised. In Connection with the same company has filled an appeal against the same demand.

NOTE 40

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

NOTE 41

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

NOTE 42

Commitments

	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 43

The Company has an informal process of obtaining confirmations from the vendors to record whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

Dues to micro, small and medium enterprises	March 31, 2023	March 31, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	6.15	6.00
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 44**Earnings and expenditure in Foreign Currency during the year:**

Particulars	March 31, 2023	March 31, 2022
Earnings in Foreign Currency	0.73	0.73
Expenditure in Foreign Currency	Nil	Nil

NOTE 45: PROPOSED DIVIDEND

The Board of Directors of Monarch Network Capital Limited, have recommended a Dividend for the financial year ended on 31/03/2023 @ 10% (i.e. ₹ 1/-) per equity share (Previous Year - @ 10%, i.e. ₹ 1/- per equity share) to the equity shareholders. The Dividend will be paid after the approval of shareholders at ensuing Annual General Meeting. The date of book closure for the entitlement of such dividend and Annual General Meeting shall be decided and informed in due course of time.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 46

	₹ in lakhs	
	March 31, 2023	March 31, 2022
Forward exchange contracts outstanding on the balance sheet date which is entered to hedge foreign exchange exposures of the Company.	Nil	Nil

NOTE 47

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 48

Balance and transactions with receivables and payables, including trade receivables, loans, deposits & advances given as well as taken, payable to vendors, etc, are subject to confirmation and consequent reconciliation and adjustments, if any. Hence, the effect thereof, on Profit/ Loss, Assets and Liabilities, if any, is not ascertainable, which may be considerable. As per the opinion of the Board, there will be no substantial impact on their reconciliation with their balance confirmations as on the reporting date.

NOTE 49

All Property Plant and Equipment were physically verified by the management of the of the company in accordance with a planned program of verifying them once in three years, which is due for verification considering the momement restrictions due to covid pandemic. As per the opinion of the Board, there will be no substantial impact on their reconciliation with their physical verification as on the reporting date.

NOTE 50

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 51

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 52

	March 31, 2023	March 31, 2022
Director Remuneration	75.19	71.66
	75.19	71.66

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 53

Auditors Remuneration	₹ in lakhs	
	March 31, 2023	March 31, 2022
Towards Statutory & Tax Audit (Exclusive of GST)	6.80	6.65
	6.80	6.65

NOTE 54

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 during the year. 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	March 31, 2023	March 31, 2022
Unspent Balance at the beginning	19.57	31.02
Provision made by the Company during the year	95.18	64.79
Prior Period Provision made by the Company during the year	-	0.15
Amount Spent during the year	(19.57)	(76.38)
- Construction / acquisition of any asset	-	-
- On purpose of other than above	19.57	76.38
Amount remaining to be Spent at the end of the year	95.18	19.57

NOTE 55

The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 56

Loans and Advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013)

The company has granted following loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand; or (b) without specifying any terms or period of repayment.

Type of Borrower, that are (a) repayable on demand; or (b) without specifying any terms or period of repayment.	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As on		As on	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Promoters/ Directors/ KMPs:	-	-	0.00%	0.00%
Related Parties:	-	-	0.00%	0.00%
Total to promoters, directors, KMPs and the related parties	-	-	0.00%	0.00%
Total to Other Loans given by the Company	10,101.19	4,580.38	100.00%	100.00%
Grand Total	10,101.19	4,580.38	100.00%	100.00%

NOTE 57

Employee Stock Option Plan

The Monarch Network Capital Limited Employees Stock Options Scheme - 2021 was approved by the Board of Directors and Shareholders of the Company on 18th June, 2021 and 20th July, 2021 respectively. The Scheme is implemented through a trust route in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI Regulations") with an objective to motivate, retain and provide additional deferred rewards to the employees who contribute to the growth and profitability of the company and further to create a sense of ownership and participation amongst the employees to share the value they create for the company in the years to come.

Accordingly during the year under review, 500,000 ESOPs equivalent to equal number of Equity Shares were offered and granted to eligible employees under the said scheme. Details of the same are given below:

Date of Grant	Vesting period	% Of Options to be vested	Exercise period
August 17, 2022	30 (Thirty) months from the grant date	100%	Within six (6) months from the date of respective vesting

An expense of ₹ 309.49 lakhs (PY Nil) has been charged to the profit and loss account during the current year under the head Employee Benefit Expenses for the ESOPs as per Ind AS 102 Share-based Payment.

NOTE 58

Revenue from Contract with Customers

The Company derives revenue primarily from the Share Broking Business. Its other major revenue sources are Portfolio Management Services and Interest Income.

Disaggregate revenue information

- The table below presents disaggregate revenues from contracts with customers for the year ended March 31, 2023 and March 31, 2022. The Company believes that this disaggregation best depicts how the nature, amount, Timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Nature of Services

- (a) Stock Broking Services - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract. This includes Brokerage, Demat Services, Late Payment Charges income & Interest Income from Margin Funding.
- (b) Other operating revenues - This includes revenue generated from Merchant Banking services, Financial Products Distribution, Financial Advisory Services, etc incurred by the company in the normal course of operations during the year.

2. Disaggregate revenue information

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
(a) Interest Income		
Interest on margin funding	906.31	398.82
Interest on delayed payment	1,513.66	961.11
Interest on fixed deposits under the lien with stock exchanges	2,095.55	1,873.42
Interest from NBFC Services	86.16	414.08
	4,601.68	3,647.44
(b) Fees and Commission Income		
Brokerage	7,430.58	8,295.01
Income from depository Operation	232.27	501.78
Income from distribution Operation	180.00	108.37
Income from Insurance services	124.39	130.00
Other Operating Income	535.50	244.04
	8,502.76	9,279.19
(c) Merchant banking and other services	2,269.90	825.50
(d) Asset Management Services	217.88	695.76
Total	15,592.22	14,447.89

3. Nature, Timing of satisfaction of the performance obligation on and significant payment terms.

- (i) Income from services rendered as a broker is recognised upon rendering of the services.
- (ii) Fees for subscription on based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract.
- (iii) Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.
- (iv) Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks.
- (v) Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

- (vi) Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

The above services are point in time in nature, and no performance obligation remains once the transaction is executed. Fees for subscription on based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

NOTE 59

The carrying amounts of assets pledged as security for borrowings are:

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits held as margin deposits	10,859.00	4,123.00
Property, plant and equipment	151.22	148.71
Total assets pledged as security	11,010.22	4,271.71

- Property, plant and equipments are pledged with Banks and NBFCs against borrowing facilities taken by the company

NOTE 60

MNCL Capital Compounder Fund

A. Monarch Alternative Investment Fund

Monarch Network Capital Ltd, being the Investment Manager and Sponsor of Monarch AIF (Alternative Investment Fund) - Category III, a SEBI registered fund as defined under Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012, has invested a sum of ₹ 5 Crores in a scheme of Monarch AIF i.e. MNCL CAPITAL COMPOUNDER FUND ('the Fund') for a period of 3 years (which can be extended by upto 2 years). MNCL CAPITAL COMPOUNDER FUND is a Category 3 long only AIF Equity fund which is launched by Monarch AIF.

Key Features of the fund are as follows:

- ✓ 'MNCL Capital Compounder Fund' is a close ended scheme of the Trust and is offering through a private placement Class A Units, Class B Units, Class C Units and such other Class(es) /Subclass(es) of Units as the Investment Manager may decide from time to time for subscription aggregating to ₹ 100,00,00,000 (Indian Rupees One Hundred Crores) with a green shoe option of up to ₹ 50,00,00,000 (Indian Rupees Fifty Crores). The Fund is a scheme of an Indian trust set-up under the Indian Trusts Act, 1882 and is registered with SEBI as a Category III AIF under the Regulations and would be operated in compliance with other Applicable Laws.
- ✓ Sponsor's Contribution by MNCL : As per the terms of The Sponsor/Investment Manager shall commit an amount equivalent to 5% (five percent) of the Corpus or ₹ 10,00,00,000 (Rupees Ten Crore), whichever is lower, and shall maintain a continuing interest in the Fund in accordance with the Regulations.
- ✓ 'Beacon Trusteeship Limited' shall act as the Trustee to the Trust. The Trustee shall have all powers in respect of the property of the Trust, including power to manage the same, which would be delegated to the Investment Manager in terms of the Investment Management Agreement. The Trustee shall not interfere with the actions of the Investment Manager so long as the actions are within the powers of the Investment Manager.
- ✓ Commitment Period : The Commitment Period for the Fund shall commence from the date of execution of Contribution Agreement on 28-09-2020 and shall end on the expiry of 3 (three) months from the Final

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Closing that may be extended for a further period up to 3 (three) months by the Investment Manager. During which the Capital Commitments can be drawn down upon issuance of a Drawdown Notice to the Contributors.

- ✓ Lock-in Period : Lock-in Period means the period commencing from the date of signing of the respective Contribution Agreement till the expiry of 18 (eighteen) months from the date of last Drawdown or the date of Final Closing, whichever is later. To clarify, no exit of any Units shall be allowed during the Lock-in Period, except at the discretion of the Investment Manager.
- ✓ Management Fee : Pursuant to the Investment Management Agreement, the Investment Manager will be entitled to receive Management Fee, that will accrue and commence from the date of First Closing and shall be chargeable on annual basis in arrears in respect of Class A Units and Class C Units. The Management Fee shall be charged up to 0.5% (zero point five percent) p.a. on the NAV (calculated at the beginning of each year) of Class A Units and Class C Units. No Management Fee shall be payable with respect to the holders of Class B Units. The Revenue from Management Fees is disclosed under "Note: 25 : Revenue from operations".
- ✓ Performance Fee : The Investment Manager will establish and maintain an account for the Fund. The Fund's account will contain separate capital accounts (each a "Capital Account") in order to separately track the Net Asset Value of each Contributor's Units in the Fund. The Investment Manager shall charge performance fee ("Performance Fee") based on the performance of each Capital Account at the rate of 15% (fifteen percent) p.a. of all the profits after deducting Fund Expenses (except Performance Fee), reserves, provisions/withholdings, (in case the profits are higher than the Hurdle Rate of Return) from the holders of Class A Units and Class C Units, on annual basis at the end of financial year or shorter period in certain circumstances as listed out in the Contribution Agreements viz. in case of exit etc. The Performance Fee shall be charged at the end of each year on an annual basis. The Revenue from performance Fees is disclosed under "Note: 20 : Revenue from operations".
- ✓ Hurdle Rate of Return : The hurdle rate of return shall be the compounded rate of return of an INR based calculation of 10% (pre-Tax) on an annualized basis.
- ✓ Set-up Cost : The Investment Manager will charge one-time Set-up Cost from the holders of Class A Units and Class C Units at actuals subject to a limit of up to 0.5% (zero point five percent) of the aggregate Capital Commitments by the holders of Class A Units and Class C Units. The Investment Manager may, in its discretion reduce/waive the Set-Up Cost payable by an Investor. No Set-up Cost shall be payable with respect to the holders of Class B Units.

B. Monarch Alternative Investment Fund - I

Monarch Network Capital Ltd, being the Investment Manager and Sponsor of Monarch AIF (Alternative Investment Fund) - Category III, a SEBI registered fund as defined under Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012, has invested a sum of ₹ 10 Crores in a scheme of Monarch AIF i.e. MNCL CAPITAL COMPOUNDER FUND - I ('the Fund') for a period of 3 years (which can be extended by upto 2 years). MNCL CAPITAL COMPOUNDER FUND - I is a Category 3 long only AIF Equity fund which is launched by Monarch AIF.

Key Features of the fund are as follows:

- ✓ 'MNCL Capital Compounder Fund - I' is the second close ended scheme of the Trust and is offering through a private placement Class A Units, Class B Units, Class C Units and such other Class(es) / Subclass(es) of Units as the Investment Manager may decide from time to time for subscription aggregating to ₹ 250,00,00,000 (Indian Rupees Two Hundred Fifty Crores) with a green shoe option

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

of up to ₹ 200,00,00,000 (Indian Rupees Two Hundred Crores). The Fund is a scheme of an Indian trust set-up under the Indian Trusts Act, 1882 and is registered with SEBI as a Category III AIF under the Regulations and would be operated in compliance with other Applicable Laws.

- ✓ Sponsor's Contribution by MNCL : As per the terms of The Sponsor/Investment Manager shall commit an amount equivalent to 5% (five percent) of the Corpus or ₹ 10,00,00,000 (Rupees Ten Crore), whichever is lower, and shall maintain a continuing interest in the Fund in accordance with the Regulations.
- ✓ 'Beacon Trusteeship Limited' shall act as the Trustee to the Trust. The Trustee shall have all powers in respect of the property of the Trust, including power to manage the same, which would be delegated to the Investment Manager in terms of the Investment Management Agreement. The Trustee shall not interfere with the actions of the Investment Manager so long as the actions are within the powers of the Investment Management Agreement and conform to the Regulations and the objectives of the Trust and the Fund.
- ✓ Commitment Period : The First Closing of the Fund shall be held within a period of 6 (six) months from the date of receipt of confirmation from SEBI for launch of the Fund, subject to the Fund receiving Capital Commitments of at least ₹ 20,00,00,000 (Indian Rupees Twenty Crores) or any other higher amount as decided by the Investment Manager in accordance with the Regulations. The Investment Manager may extend the First Closing by a period of up to 3 (three) months at its sole discretion. The Investment Manager has the discretion to hold one or more Subsequent Closings. The Final Closing shall be held on or before the expiry of 12 (twelve) months from the First Closing. The Investment Manager may extend the Final Closing by up to 3 (three) months at its sole discretion.
- ✓ Lock-in Period : Units issued to Contributors shall be locked in till the expiry of 18 (Eighteen) months from the date of allotment of Units ("Lock-in Period"). No redemptions will be allowed during the Lock-in Period.
- ✓ Management Fee : Pursuant to the Investment Management Agreement, The Management Fee shall be chargeable at the rate of upto 1% (One Percent) p.a. in respect of Class A Units and Class C Units, payable at the end of each year (or at such intervals as determined by the Investment Manager and as stated in the Contribution Agreement) on the NAV (before taking into account the Fund Expenses, Performance Fees and Tax liabilities) calculated at the start of every year on the relevant Valuation Day. No Management Fee shall be payable with respect to the holders of Class B Units. The Revenue from Management Fees is disclosed under "Note: 25 : Revenue from operations".
- ✓ Performance Fee : The Investment Manager shall charge a Performance Fee to the holders of Class A Units and Class C Units at the rate of 15% p.a. of the incremental Pre-Tax NAV of Class A Units and Class C Units (over and above the Hurdle Rate of Return) during a Determination Period. The Performance fees will be increased by any applicable GST and other statutory charges payable thereon. This fee will be charged by the Investment Manager directly to the relevant Contributors or to the Fund. The Investment Manager, in its sole discretion, may waive or reduce the Performance Fee for a particular Contributor / Class / Subclass of Units. There shall be no Performance Fee payable with respect to Class B Units. The Revenue from performance Fees is disclosed under "Note: 20 : Revenue from operations".
- ✓ Hurdle Rate of Return : The Hurdle Rate of Return applicable to Class A Units and Class C Units shall be 10% (ten percent) in Indian Rupee terms. The Hurdle Rate of Return shall not be applicable with respect to holders of Class B Units.
- ✓ Set-up Cost : The Investment Manager will not charge any Set-up Cost from any unit holders.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 61

Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

The Company do not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

NOTE 62

Wilful Defaulter

The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

NOTE 63

Misutilisation of Bank Borrowing

In the opinion of the management of the company, to the best of its knowledge and belief, the company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

NOTE 64

Disclosure of transactions with struck off companies

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

NOTE 65

Compliance with approved Scheme(s) of Arrangements

No Scheme of Arrangements has been approved by/ pending with the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year as well as previous year.

NOTE 66

Undisclosed Income

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTE 67

Compliance with number of layers of companies

The compliance of number of layers of companies, prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, are not applicable to the company.

NOTE 68

Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.

NOTE 69

Security of current assets against borrowings

Quarterly statements of current assets filed with banks and financial institutions for fund borrowed from those banks and financial institutions on the basis of security of current assets are in agreement with the books of account.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 70

Utilisation of Borrowed funds and share premium:

- (A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries).
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries).
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

NOTE 71

Registration of charges or satisfaction of charges with Registrar of Companies (ROC)

The Company do not have any charges or satisfaction of charges which is yet to be registered with ROC during the Financial Year, except

- ☑ During earlier years, Monarch Network Capital Limited has availed credit facilities from State Bank of Saurashtra, (now State Bank of India), which has been fully repaid in earlier years. However, the said charge against the Charge ID- 10081290 is still disclosed as Open Charge in the records of Registrar of Companies (ROC). The management of the company is in the process of filing of satisfaction of the said charge with ROC, Although it is only a procedural requirement, since the said loan is already fully repaid.

NOTE 72

Ratios

Additional regulatory information required under (WB)(xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

NOTE 73

Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
As on March 31, 2023								
Undisputed Trade receivables:								
- considered good	38.29		3,371.94	495.53	219.21	246.38	-	4,371.34
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables:								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2022								
Undisputed Trade receivables:								
- considered good	187.25	-	3,604.17	44.98	335.81	60.67	-	4,232.88
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables:	-	-	-	-	-	-	-	-
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-

NOTE 74

Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2023						
(i) MSME*	-	6.15	-	-	-	6.15
(ii) Others	-	32,374.87	116.37	15.65	-	32,506.89
(iii) Disputed dues — MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	32,381.02	116.37	15.65	-	32,513.04

Particulars		Outstanding for following periods from due date of payment					Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on March 31, 2022							
(i)	MSME*	-	6.00	-	-	-	6.00
(ii)	Others	-	41,197.48	74.42	13.60	-	41,285.50
(iii)	Disputed dues — MSME*	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
Total		-	41,203.48	74.42	13.60	-	41,291.50

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006, as per information available with the Company

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in lakhs)

NOTE 75

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 three reportable segments, as follows:

- ✓ Segment-1 Broking & other Finance Market Services
- ✓ Segment-2 Non Banking Finance Business
- ✓ Segment-3 Insurance 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 & Other Finance Market Services

Segment-2 Non Banking Finance Business

Segment-3 Insurance business

B. Information about reportable segments

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
1. Segment Revenue		
a) Broking and Related Services		
1) Fees and commission income	7,951.69	9,001.33
2) Interest Income	4,515.52	3,233.36
3) Merchant Banking & Related Services	1,844.90	825.50
3) Asset Management Services	217.88	695.76
4) Others (Un-allocated)	600.19	943.38
b) Non Banking financial business	1,095.27	620.81
c) Insurance business	133.04	136.14
Total	16,358.49	15,456.26
Less: Inter Segment Revenue	157.36	0.12
Net sales/Income From Operations	16,201.13	15,456.15
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)		
a) Broking & Others (1 to 4)	5,456.15	6,809.48
b) Non Banking financial business	981.35	595.73
c) Insurance business	88.90	43.98
Total	6,526.40	7,449.19

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Currency: ₹ in Lakhs)

Particulars	Year Ended on March 31, 2023	Year Ended on March 31, 2022
Less: (i) Interest	(576.28)	(204.92)
(ii) Other Un-allocable Expenditure net off	(157.36)	-
(iii) Un-allocable income	-	-
Add : Exceptional Item	(0.22)	(27.66)
Interest Income	-	-
Total Profit/(Loss) Before Tax	5,792.54	7,216.61
3. Capital Employed		
(Segment assets – Segment Liabilities)		
a) Broking & Others (1 to 4)	19,531.97	14,543.73
b) Non Banking financial business	2,819.94	2,073.81
c) Insurance business	242.26	176.46
Total	22,594.19	16,794.00

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 76

These financial statements are presented in Indian Rupees (INR), which is also its functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated. The amounts which are less than ₹ 0.01 Lakhs are shown as ₹ 0.00 Lakhs.

NOTE 77

Previous years figures have been re-grouped / re-classified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of even date

For **PAREKH SHAH & LODHA**Chartered Accountants
(Firm Reg. No. 107487W)**Amit Saklecha**(Partner)
M.No. 401133
UDIN: 23401133BGZEDK6712Place: Mumbai
Date: May 25, 2023

For and on behalf of the Board

Vaibhav Shah(Managing Director)
Din: 00572666**Hetvi Gandhi**

(Chief Financial Officer)

Place : Ahmedabad
Date: May 25, 2023**Manju Bafna**(Whole-Time Director)
Din: 01459885**Rupali Verma**(Company Secretary)
ICSI Member. No: A42923Place : Ahmedabad
Date: May 25, 2023

MONARCH NETWORK CAPITAL LIMITED

CIN: L65920GJ1993PLC120014

Regd Off: Unit No. 803-804A, 8th Floor, X-Change Plaza, Block No. 53, Zone 5,
Road- 5E, Gift City, Gandhinagar - 382355, Gujarat.

Tel: 079-26666500/079-66000500, Email: cs@mnclgroup.com, Website: www.mnclgroup.com

ATTENDANCE SLIP

30TH ANNUAL GENERAL MEETING ON FRIDAY, 22ND SEPTEMBER, 2023

(To be completed and presented at the Entrance)

Name of Member : _____

Registered Address : _____

Regd. Folio No. : _____

Client ID/ D.P. ID* : _____

No. of Share(s) held : _____

Joint Holder 1 : _____

Joint Holder 2 : _____

** Applicable for investors holding shares in Electronic form*

I certify that I am the registered shareholder(s)/proxy for the registered shareholder of the Company.

I/we hereby record my/our presence at the 30th Annual General Meeting of the Company held on Friday, 22nd September, 2023 at 12.30 pm. at Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasán Por Road, Kudasán, Gandhinagar - 382421.

Member's/Proxy's name

Member's/Proxy's Signature

Note:

1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Please read the instructions for e-voting given along with Annual Report. The voting period starts from Monday, 18th September, 2023 (09.00 a.m.) and ends on Thursday, 21st September, 2023 (05.00 p.m.). The voting module shall be disabled by NSDL for voting thereafter.

MONARCH NETWORK CAPITAL LIMITED

CIN: L65920GJ1993PLC120014

Regd Off: Unit No. 803-804A, 8th Floor, X-Change Plaza, Block No. 53, Zone 5,
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Tel: 079-26666500/079-66000500, 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]

30TH ANNUAL GENERAL MEETING ON FRIDAY, 22ND SEPTEMBER, 2023

Name of the Member (s) : _____
Name(s) of the Joint Holder, if any : _____
Registered Address : _____
Email Id : _____
Folio No/Client Id/ DP ID : _____

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

1. Name: : _____
Address : _____
Email Id : _____
Signature : _____ or failing him
2. Name: : _____
Address : _____
Email Id : _____
Signature : _____ or failing him
3. Name: : _____
Address : _____
Email Id : _____
Signature : _____ or failing him

as my/our proxy to attend and vote (on poll) for me/us on my /our behalf of at the 30th Annual General Meeting of the Company to be held on Friday, 22nd September, 2023 at 12.30 pm. at Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasan Por Road, Kudasan, Gandhinagar - 382421 and at any adjournment thereof in respect of such resolution as are indicated below:

Sr. Resolutions No	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, 2023 and the Reports of the Directors' and the Auditors.			
2. Ordinary Resolution for Declaration of Dividend			
3. Ordinary Resolution for Re-Appointment of Mr. Vaibhav Shah, Director retiring by rotation			
4. Special Resolution for re-appointment of Mr. Vaibhav Shah as Managing Director of the Company.			

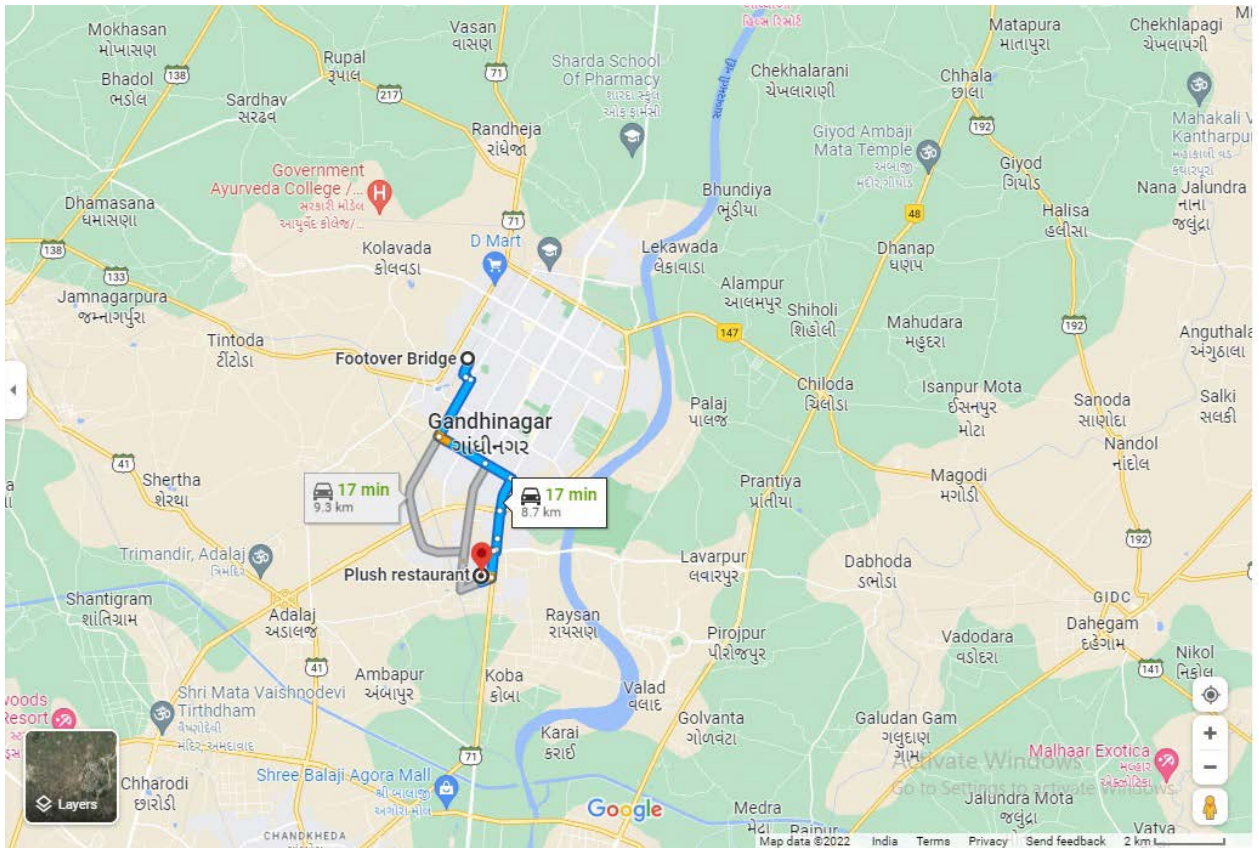
Signed this _____ day of _____ 2023
Signature of Member: _____
Signature of Proxy holder(s): _____

Affix
Revenue
Stamp of
not less
than ₹.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.

ROUTE MAP FOR AGM VENUE



Map not to scale



MONARCH NETWORK CAPITAL LIMITED

Registered Office: Unit No. 803-804A, 8th Floor, X-Change Plaza, Block No. 53, Zone 5,
Road 5E, Gift City, Gandhinagar - 382355

Corporate Office: Monarch House, Opp. Ishwar Bhuvan, Commerce Six Roads,
Navrangpura, Ahmedabad - 380014

T : +91-79-26666500, 66000500

 1800 22 0223

 info@mncigroup.com

 www.mncigroup.com