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

Note 1

A. Company Information

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

Significant accounting policies

B. Basis of preparation

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

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

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

c) Functional and presentation currency:

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

d) Current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

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

e) Revenue recognition

Service Income

Service income is recognized, exclusive of taxes, as and when the services are rendered. Brokerage Income is recognised on the trade date. Subscription income for convenient brokerage plans is recognised on the basis of expiry of the scheme. Account Facilitation charges arerecognised on quarterly/yearly basis considering registration/activation of the client account. Referral Fees are recognised on accrual basis. Late Payment Charges are shown net of respective interest cost.

Interest income

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

Dividends

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

f) Property, plant and equipment

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

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

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

g) Intangible Assets

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

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

Amortisation methods, estimated useful lives and residual value

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

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

h) Impairment of non-financial assets

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

Recoverable amount is determined:

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

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

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

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

i) Leases- Company as a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

j) Borrowing costs

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

k) Financial instruments

A. Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Financial asset at amortised cost

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

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

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

Financial asset at FVTOCI

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

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

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

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

Financial instrument at FVTPL

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

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

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

Equity investments

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

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

De-recognition

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

1. Trade receivables or contract revenue receivables; and

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

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

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

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

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

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

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

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

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

B. Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

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

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

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

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

Loans and borrowings

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

Financial guarantee contracts

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

Derecognition

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

C. Off-setting of financial instruments

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

D. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

I) Taxes

Current income tax

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

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

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

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

Deferred tax

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

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

1. deductible temporary differences;
2. the carry forward of unused tax losses; and
3. the carry forward of unused tax credits.

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

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

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

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

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

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

m) Inventories

Inventories are valued at the Market Value.

Inventories mainly represents securities held as stock in course of market making activities and remaining comprises of securities held as a result of error in execution of orders.

n) Employee benefits

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

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

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

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

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

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

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

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

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

Long-term employee benefits

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

o) Cash and cash equivalents

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

p) Segment accounting:

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

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

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

q) Business Combination under Common Control

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

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

General

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

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

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

Contingent liability is disclosed in the case of:

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

3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

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

s) Earnings per share

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

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

t) Use of estimates and judgments

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

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

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

Recognition of deferred tax assets

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

Classification of assets and liabilities into current and non-current

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

Impairment of assets

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

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

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

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

Defined benefit obligation (DBO)

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

Fair value measurements

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

u) Statement of cash flows

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

v) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 2: Property, Plant and Equipment (PPE)

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

Note: 3 Intangible assets

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

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

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

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

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

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

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

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

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

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

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

Note :

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

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

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

Notes:

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

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

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

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

d Terms / Rights attached to each classes of shares

Terms / Rights attached to Equity shares

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

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

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

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

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

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

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

g The company had not issued any bonus share for consideration other than cash and no share had bought back during the period of five years immediately preceding the reporting date.

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

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

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

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

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

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

d) Other comprehensive income:

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

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

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

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

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

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

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

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

Notes:
In absence of information regarding vendors covered under Micro, Small & Medium Enterprises Development Act, 2006. disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act has not been given.

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

Notes:
In absence of information regarding vendors covered under Micro, Small & Medium Enterprises Development Act, 2006. disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act has not been given.

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

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

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

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

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

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

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

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

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

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

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

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

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

Note: 27
Corporate social responsibility

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

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

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

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

i. Profit attributable to Equity holders

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

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

ii. Weighted average number of ordinary shares

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

iii. Basic and Diluted earnings per share

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

Note: 29

Tax expense

(a) Amounts recognised in profit and loss

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

(b) Amounts recognised in other comprehensive income

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

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

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

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

(d) Movement in deferred tax balances

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

(e) Movement in deferred tax balances

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

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

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

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

Note: 30
Employee benefit expense

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

(i) Defined Contribution Plans:

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

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

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

(ii) Defined Benefit Plan:

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

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

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

ii) On death in service:

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

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

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

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

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

B. Movement in net defined benefit (asset) liability

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

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

Represented by:

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

Maturity Analysis of Projected Benefit Obligation from the reporting year:

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

C. Plan assets

Plan assets comprise the following:

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

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

D. Defined benefit obligations

i. Actuarial assumptions

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

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

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

ii. Sensitivity analysis

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

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

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

Note: 31
Leases- Operating leases

Leases as lessee

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

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

b) Future minimum lease payments

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

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

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

Note: 32 Fair value disclosures

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

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

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

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

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

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

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

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

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

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

Transfers between Levels 1 and 2

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

C. Financial risk management

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

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

i. Risk management framework

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

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

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

ii. Credit risk

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

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

Trade and other receivables

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

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

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

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

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

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

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

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

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

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

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

Cash and cash equivalents

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

iii. Liquidity risk

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

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

Exposure to liquidity risk

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

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

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

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

iv. Market risk

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

Currency risk

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

Interest rate risk

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

Exposure to interest rate risk

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

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

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

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

Note 33 Capital Management

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

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

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

INR

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

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

Note 34 Related party relationships, transactions and balances

A Nature of relationship

I Subsidiary Companies

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

II Associate Companies

a Networth Financial Services Ltd

III Enterprises over which Directors and their relatives exercise significant influence

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

IV Key Management Personnel and their relatives

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

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

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

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

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

Note 34 Related Party Disclosures: (Continued)

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

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

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

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

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

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

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

Rs in Lacs

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

Notes

(i) There are certain claims aggregating to Rs. 318 lacs (previous year Rs. 318 lacs) against the company for which the company has taken suitable legal recourse. Hence the same has not been recognized as a debt and no provision has been made thereof.

(ii) The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2019

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

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

Note 36

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

Note 37

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

Note 38 Commitments

Rs in Lacs

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

Note 39

Rs in Lacs

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

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

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

Note 41

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

Note 42

Segment information

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

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

Note 43

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

Note 44

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

Note 45

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

Note 46

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

Note 47
Events Occurring After the Balance Sheet Date

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

Note 48

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

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

Note 49

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

Note 50

The Company provides for the use by its subsidiaries certain facilities like use of premises infrastructure and other facilities / services and the same are termed as ‘Shared Services’. The cost of such Shared Services are recovered from subsidiaries either on actual basis or on reasonable management estimates which are constantly refined in the light of additional knowledge gained relevant to such estimation.

Note 51

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

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

Note 52
Scheme of Amalgamation

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

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

Disclosures in accordance with Indian Accounting Standered

a. Name and Nature of Business of Amalgamation Companies:

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

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

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

(b) MNCL is a diversified conglomerate with presence in various segments such as stock broking, financial services, merchant banking activities etc. MNCL is a widely held listed company its shares are actively traded on BSE Limited. MNCL has a proven track record of creating value for its shareholders through performance and incubation of growth businesses.

(c) All transferor companies regularly evaluate growth potential opportunities to create long-term value for its shareholders. The proposed restructuring shall enable transferor companies to gain exposure to fast growing sectors such as Stock Broking and financial services. With a well-capitalised base, and a large and diversified portfolio comprising of a steady cash flows generating businesses, transferor companies will be strongly positioned to incubate future growth opportunities and create long-term value for its shareholders.

(d) The amalgamation of the companies shall lead to consolidation of resources of the Transferor Companies with the Transferee Company, thereby providing greater efficiency in operations and administrative affairs of the Transferee Company and thus optimizing the valuation of the consolidated company and its shareholders.

(e) The amalgamation shall also add to the financial strength of the Transferee Company. The consolidation of Transferor Companies business with MNCL would at one hand strengthen the financials of the listed entity for the benefit of all its

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

stakeholders and on the other hand help Transferee Company business in getting future contracts and raising funds for expansion due to the listed status.

(f) Apart from above, this scheme of amalgamation shall result in following benefits -

- Financial strength and flexibility for the Transferee Company, which would result in maximizing overall shareholder value.
- Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost.
- Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.
- Greater efficiency in cash management of the amalgamated entity and pooling of cash flow generated by the combined entities which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.

- Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
- Effective Margin Management to the clients of the Transferor and the Transferee Company.

(g) It is believed that this Scheme will create enhanced value for shareholders and allow a focused growth strategy which would be in the best interests of Transferor Companies stakeholders.”

c. The scheme has envisaged an exchange ratio as under:

- Nil Equity of the Transferee Company to be issued to shareholders of NIBPL because the Transferor Company 1 is wholly owned by the Transferee Company and the Transferee Company along with its nominee shareholders holds all the shares issued by the NIBPL

- 13 Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of held in NSL pursuant to this Scheme of Amalgamation.

- Nil Equity of the Transferee Company to be issued to shareholders of NWSL because the Transferor Company 3 is wholly owned by the Transferee Company and the Transferee Company along with its nominee shareholders holds all the shares issued by the NWSL.

- 28 Equity shares of face value ofRs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares held in MNCTL pursuant to this Scheme of Amalgamation. Transferor Company is wholly owned by the Transferee Company and therefore there shall be no issue of shares by the Transferee Company in this regard.

d. Method of accounting used to reflect the amalgamation is Pooling of Interests Method

e. Accounting Treatment on Amalgamation

The accounting for Amalgamation has been done in accordance to the approved Scheme of Amalgamation. Accordingly, the Company has accounted for the Scheme in its book of Accounts as under:

1. All assets and liabilities appearing in the books of the transferor company have been recorded by the transferee company at their respective book values in opening balance sheet as at 01 April 2017.

2. The difference between net assets taken over & investment in the books of the Transferee Company have been debited first to Amalgamation Reserve (pre-existed at the time of amalgamation) and then to Retained Earnings.

3. As per the Scheme of Amalgamation the Company was required to issue 737,918 equity shares of face value of Rs 10/- per share along with Security Premium of Rs 69/- per share, aggregating Rs 582,95,522/- to the shareholders of the erstwhile Tranferor Companies NSL and MNCTL.

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

4. Pursuant to the sanction of the Scheme, with effect from the Appointed Date, the Transferor Companies are, pursuant to the provisions contained in Sections 230 to 232 of the Companies Act, 2013, and all other applicable provisions, if any, without any further act, deed, matter or thing, merged with the Transferee Company, as a going concern so as to become the estate, assets, rights, title, interest and authorities of the Transferee Company.

5. Pursuant to the sanction of the Scheme, the authorised share capital of the Transferor Companies are added to the authorised share capital of the Transferee Company without any further act, instrument or deed or procedure or payment of any stamp duty and registration fees.

6. Pursuant to the order of NCLT towards scheme of arrragement for the Merger, as stated above, necessary adjustments have been made by the company in the standalone results as stated above, towards provision for taxation and Corporate Social Responsibility, etc giving the post merger effect on aggregate basis.

7. Since the order of NCLT was received on last moment, the Statutory Audit of the transferee companies (Networth Insurance Broking Private Limited, Networth Softtech Limited, Networth Wealth Solutions Limited and Monarch Networth Comtrade Limited) under the Companies Act 2013 and under other applicable laws, were carried out by the earlier statutory auditors of the respective companies for the year ended March 31, 2019. The statutory auditor of Monarch Networth Capital Limited have verified only the merger implecation on the above results.

Note 53

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

(Figures in INR)

Particulars	Relationship		Amount outstanding as at March 31, 2019	Maximum balance outstanding during the year
Monarch Networth Finserve Private Limited	Wholly-owned Subsidiary	CY	84,198,427	212,932,385
		PY	-	80,538,810
Monarch Networth Investment Advisors Pvt Ltd		CY	-	11,000
	Subsidiary	PY	-	960,667
Monarch Networth Capital IFSC Pvt Ltd	Subsidiary	CY	13,640	13,640
		PY	8,640	8,640

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

Note: 54

Previous year's figures have been regrouped or reclassifed wherever necessary

As per our Report of even date

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

Ashutosh Dwivedi
(Partner)
M.No. 410227

Place : Mumbai
Date : 30th May-2019

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Manju Bafna
(Whole-Time Director)
Din: 01459885

Ashok Bafna
(Chief Financial Officer)

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

Place : Mumbai
Date : 30th May-2019

Place : Mumbai
Date : 30th May-2019