



MONARCH
NETWORK CAPITAL

10th February, 2023

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

Sub.: Clarification on news story published in Reuters

We refer to the news story published in Reuters, titled "*Indian regulator probes Adani's links to investors as Modi's office is briefed*"

<https://www.reuters.com/world/india/indian-regulator-probes-adanis-links-investors-modis-office-is-briefed-2023-02-10/>

To begin with, we wish to assert that this news story has portrayed various aspects related to both the subject matter and MNCL, in a grossly disparaging and damaging manner, which was unwarranted to say the least. The article is outrightly defamatory, devoid of facts and comprises half-truths that paint an incorrect picture.

We wish to briefly put across the following underlying facts and circumstances to allay any unfair misgivings or apprehensions that this story would have triggered amongst investors and other stakeholders of MNCL.

1. Monarch Network Capital (MNCL) reiterates that MNCL or its affiliates have NOT invested in the FPO of Adani Enterprises before the latter's cancellation. The same has been clarified to exchanges dated 3rd February, 2023. Hence there is absolutely no question of any conflict of interest in this regard.

2. The news report by Reuters is without substance.

We would also like to state that we are a listed company following the highest standards of corporate governance and are in full compliance of laws.

We had also earlier given our response dated 3rd February, 2023 to the stock exchanges that answers all queries raised at various forums/by various entities in this regard. We are attaching that herewith.

Thanking You,
Yours Faithfully,
For Monarch Network Capital Limited

Ashok Bafna
Whole Time Director
DIN: 01431472

Monarch Network Capital Limited (CIN: L65920GJ1993PLC120014)

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

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

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03rd February, 2023

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

Dear Sir,

Sub.: Clarification on various recent articles in different sections of the media

With reference to the captioned subject, we would like to clarify the following -

About Monarch Network Capital Limited.

Monarch Network Capital Limited is a listed entity with three decades of operations in financial services comprising retail broking, institutional equities, investment banking, wealth management, fund management (Cat-III-AIF) and fixed income. We have a strong financial standing as evidenced by the numbers below.

• Financial Snapshot

Consolidated Financials (Rs cr)	FY20	FY21	FY22	H1FY23
Total Income	70.4	103.1	154.6	76.7
Profit After Tax	2.3	24.3	54.1	27.3
EPS (Rs per share)	0.61	8.29	18.63	9.73
Net worth	82.1	107.8	167.9	192.8

• Primary and secondary market transactions (nos):

IPO	13
QIP	3

Strong research - fulcrum for all our capital market activities

We at Monarch Network Capital Limited are committed to create value for our customers through extensive industry knowledge and actionable research. Our credo is creating value for our customers, which is built on the foundation of extensive and in-depth research.

We differentiate ourselves from others by working extensively to identify businesses that generally tend to be under-researched / thinly owned stocks but necessarily measure up to our stringent filters across balance sheet, earnings and corporate governance parameters. We lay

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great store on shareholder returns and minutely analyse businesses on their track record of revenue/earnings growth, ability to generate free cash flow, pedigree of management, corporate governance standards, and similar aspects that are vital for long-term wealth creation for shareholders.

These attributes are of paramount importance and have helped us identify stocks that in turn have demonstrated the ability to generate superior returns over the medium to long term. Link to our various research reports published by our house is attached in Annexure I.

Response to various assertions:

- Our disciplined approach to our business, well thought-out strategy and differentiated research have resulted in multiple recognitions including empanelment with leading institutional houses and investment banking mandates (including QIP, IPO). The strong distribution reach across geographies and clientele i.e. retail/ HNI and UHNI has benefited us with accreditation as the "Best regional retail broker by NSE in 2018". We were also awarded the "Top performing member in the cash market for 2015-16" by NSE. The Offer for Sale for Adani Green Energy mandate was awarded purely on merit, based on our credentials, demonstrated history of capabilities and distribution reach.
- Monarch Research & Brokerage Private Limited and Monarch Project & Finmarkets Limited entered into a scheme of amalgamation with Network Stock Broking Limited, which came into effect from Oct 2014.
- In 2011, SEBI briefly suspended the erstwhile entity Network Stock Broking for a case pertaining to the year 2002. *There is no case of price rigging against Monarch Network Capital Limited and no suspension order made by SEBI or any other regulatory post the merger of Monarch entities with Network Stock Broking Limited.*
- Post the Merger in 2014, the shares of the merged entity Monarch Network Capital Limited have been listed in BSE and subsequently in NSE since 2022. The shareholding of the Company are updated and disclosed to exchanges periodically in terms of SEBI (LODR) Regulations and the same are available in public domain in the portal of Exchanges as well as on the Company's website.
- Adani Properties Private Limited holds an *insignificant* 9,614 shares (i.e. 0.03% stake) in our Company since 2016.
- Investments by Albula - The 9.75% stake by Albula was owned in the erstwhile entity Network Stock Broking Limited and pertains to the period prior to the merger of Monarch entities with Network Stock Broking Limited.
- No investments have been made by Monarch Network Capital and its subsidiaries and associates in the listed entities of the Adani group as on date and in the last three years.
- Further, neither Monarch Network Capital Limited nor its subsidiaries or associates *has applied to the recent follow on public offer of Adani Enterprises Limited.*

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Thus, in the light of the above facts, we wish to inform you that the company remains committed to protect the interest of all its valued stakeholders and this clarification is filed for the same.

Kindly take the above on your record.

Thanking You,
Yours Faithfully,
For **Monarch Network Capital Limited**

ASHOK
DAULATRAJ
AJ BAFNA

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BAFNA
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Ashok Bafna
Whole Time Director
DIN: 01431472

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Annexure I: Link to various research reports published by our house:

Fiem Industries	Borosil Limited
Mayur Uniquoters	Sundaram Finance
IFGL Refractories Limited	C.E. Info Systems
Alembic Pharmaceuticals	Chalet Hotels
Oriental Carbon & Chemicals Limited	CreditAccess Grameen
Lumax Industries	Ethos Limited
Swaraj Engines	Timken India
Tata Metaliks	Equitas Small Finance Bank
Central Depository Services Limited	Goldiam International
Ratnamani Metals and Tubes	Can Fin Homes
LA OPALA	Jindal Stainless
Suven Pharmaceuticals	Expleo Solutions
Kirloskar Ferrous Industries Limited	Safari Industries
Galaxy Surfactants	VIP Industries
RITES Limited	Sandur Manganese
Jubilant Ingrevia	Mrs. Bector
& many more at https://www.mnclgroup.com/research-report	