



MONARCH
NETWORK CAPITAL

MNCL/SE/33/2024-25

Date: August 28, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400001
Scrip Code No.: 511551

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, Bandra Kurla
Complex, Bandra (East), Mumbai – 400051
Symbol - MONARCH

Dear Sir/Madam,

Sub: Notice of the 31st Annual General Meeting and Annual Report for the FY 2023-24

Pursuant to Regulations 34 of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we hereby attach the Annual Report of the Company for Financial Year 2023-24 along with the Notice of the 31st Annual General Meeting and other Statutory Reports for the Financial Year 2023-24.

The 31st Annual General Meeting of the Members of the Company is scheduled to be held on Friday, September 20, 2024 at 12.30 P.M. (IST) at Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasán Por Road, Kudasán, Gandhinagar - 382421, Gujarat.

Further, in accordance with provisions of Regulation 42 of the Listing Regulations and as per our earlier communication dated July 23, 2024, the Record Date for the purpose of determining the members entitled to receive dividend on equity shares for the financial year ended 31st March 2024 was Friday, August 02, 2024.

The same are also being made available on the website of the Company i.e. www.mnclgroup.com.

This is for your information and records.

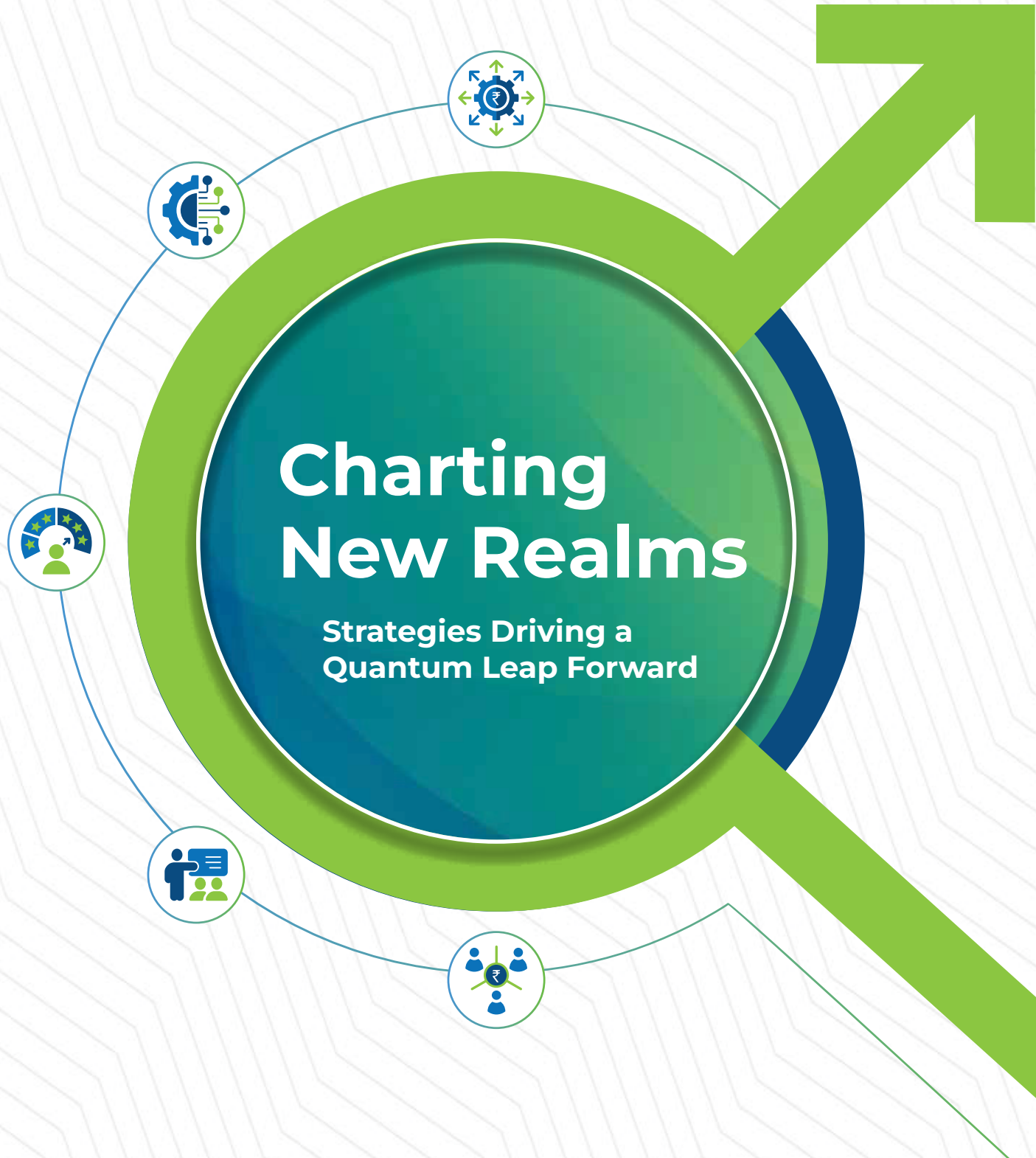
Yours faithfully,
For Monarch Network Capital Limited

Nitesh Tanwar
Company Secretary & Compliance Officer
M. No.: FCS – 10181

Place: Mumbai
Date: August 28, 2024

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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Download this report
or read online at

www.mnclgroup.com

134 FINANCIAL STATEMENTS

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CHARTING NEW REALMS

Strategies Driving a Quantum Leap Forward

Since its inception, MNCL has relentlessly pursued excellence, delivering innovative financial solutions and strategies. In recent years, our journey has seen significant growth driven by robust performances in new businesses alongside a steadfast commitment to traditional retail broking and diversifying revenue streams, most of which provide regularity of performance, and in some cases, annuity income. This balanced approach has fortified our financial foundation, expanded our market footprint and enhanced our competitive edge in emerging sectors, ensuring sustained and sustainable growth.

FY24 marked a record-breaking financial performance in our 30+ year history. Our Net Income surged to ₹123.1 cr from ₹ 43 cr in FY23, registering a stupendous 186.5% Y-o-Y growth.

Our transformative journey has been driven not just by favourable industry conditions but also by strategic initiatives implemented over the past five years, catapulting us into a different league in the financial domain.

We focussed on business diversification, substantial investments in cutting-edge technology, robust brand building and enhancing team capabilities to enrich customer experiences and brand recall. Strategic partnerships with channel partners further strengthened our market position, fostering customer trust and increased reach. This strategic focus underscores our commitment to ensuring stability in volatile market conditions.

With our business thriving across all fronts and guided by our strategic foresight, we are ready to explore new verticals, as well as new lines within existing businesses, while expanding our reach.



CHARTING NEW REALMS IN FY25 AND BEYOND, HAVING REACHED AN INFLECTION POINT, WE ARE POISED FOR A QUANTUM LEAP OF GROWTH. ROOTED IN RESILIENCE AND INNOVATION, WE ARE COMMITTED TO EMPOWERING OUR EMPLOYEES AND CUSTOMERS ALIKE, NURTURING SHARED PROSPERITY AND SETTING THE STAGE FOR CONTINUOUS ADVANCEMENT IN THE DYNAMIC FINANCIAL LANDSCAPE.

ROBUST NUMBERS QUANTIFYING OUR SUCCESS

FY20 - FY24 Performance Highlights (Consolidated)

Financial Highlights

70.44 | **279.00**

Total Income
(₹ in cr)

3.52 | **164.10**

Profit Before Tax (PBT)
(₹ in cr)

41.1%

161.3%

2.25 | **123.15**

Profit after Tax (PAT)
(₹ in cr)

82.10 | **345.91**

Net Worth
(₹ in cr)

172%

43.3%

2.77% | **43.38%**

ROE (on avg net worth)

■ FY20
 ■ FY24
 ■ 4-year CAGR (%)

NOTEWORTHY ACHIEVEMENTS OF FY24

FY24 was a landmark year in our 30-year history, we achieved record financial performance with Net profit reaching ₹ 123.1 cr, up from ₹ 43 cr in FY23, marking a remarkable 186.5% Y-o-Y increase.

FY24 was a milestone year for our Investment Banking division with significant growth achieved across revenue, profitability and deal volume; revenues stood at a strong ₹ 43.9 cr, indicating a whopping 138.5% Y-o-Y growth.

MNCL served as the lead banker for the Exicom Tele-Systems IPO with an issue size of ₹ 429 cr and was fully subscribed with a robust response from investors.

Return on equity increased from 19.0% in FY23 to 35.6% in FY24 (based on end-point net worth).

Investment Banking division led the successful closure of major financial transactions, including ₹ 3,500 mn QIP of HFCL Limited, ₹ 5,450 mn IPO of IRM Energy Limited (IRM) and ₹ 5,000 mn IPO (inclusive of ₹ 700 mn Pre-IPO round) of Exicom Tele-Systems Limited (Exicom); Both IRM and Exicom garnered exceptional investor interest, with subscription rates surpassing 27x and 133x, respectively.

MNCL CCF, raised in October 2020 was pre-closed a few months ahead of scheduled closure, after delivering ~23% CAGR return to investors.

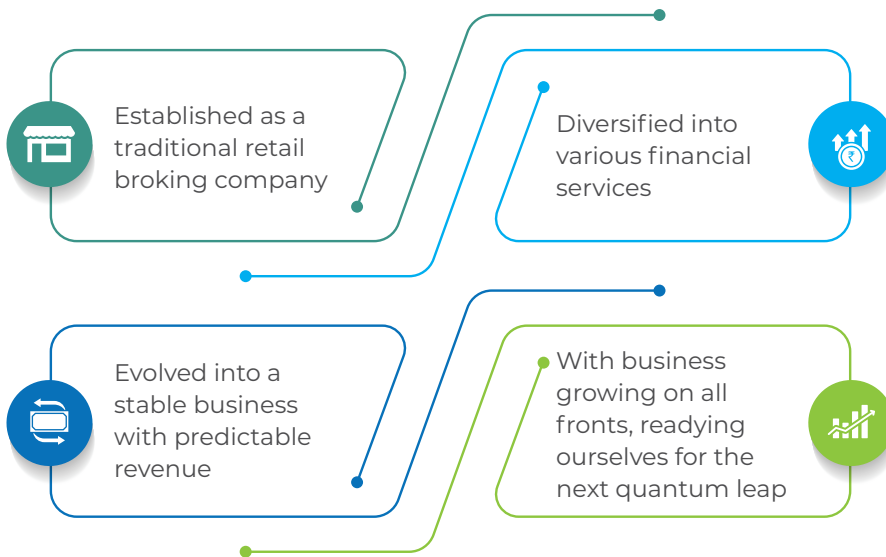


About the Company

GEARING UP FOR THE NEXT LEAP

Monarch Network Capital Limited ('MNCL') stands as a prominent and reliable financial service provider in India, having 30+ years of experience in crafting and implementing smart financial offerings and strategies. We have evolved from a traditional retail broking firm to a fully integrated financial services company with stable revenue, operating through 55+ branches and 900+ sub-brokers across India.

OUR STEADY EVOLUTION



MNCL IS LISTED ON NSE AND BSE WITH A MARKET CAPITALISATION OF ₹ 1,794 CR AS ON MARCH 28, 2024.

Operating with a performance-driven ethos and a client-first approach, we prioritise long-term relationships with both corporates and investors to fulfil our customers' evolving investment aspirations and deliver enduring value.

Research remains fundamental to our operations, seamlessly integrated across all our business endeavours. Starting with pure stock broking services, we have diversified to offer a comprehensive range of financial services, backed by thorough research, to help our clients in sustainable wealth creation. Steering clear of purely transactional engagements across our business segments, we offer retail broking, investment banking, institutional equities and wealth, and third-party product distribution services, among others.

Guided by strategic leadership and a highly competent team, we leverage modern technology and infrastructure to drive organisational excellence and seamless operations, delivering superior services to our customers.

We actively share financial knowledge and foster progressive change for our customers and stakeholders through our knowledge repository, delivering ongoing value while reinforcing our brand visibility, and unique identity in the financial domain.

With robust growth across all fronts and strong cash flows, we are geared for the next substantial leap, driving sustainable growth and enduring value to all stakeholders.



SUCCESS DEFINED BY CORE BELIEFS

01

We believe in long-term relationships with our clients through uncompromised dedication and professional commitment

02

We mobilise our people, culture and ideas, keeping in mind the best interest of our clients to accelerate growth and economic progress

03

We lead with a service mindset by building trusted, innovative and tailor-made solutions to fulfil our clients' needs

04

We hold ourselves accountable to the highest ethical standards, building a culture of mutual trust and transparency

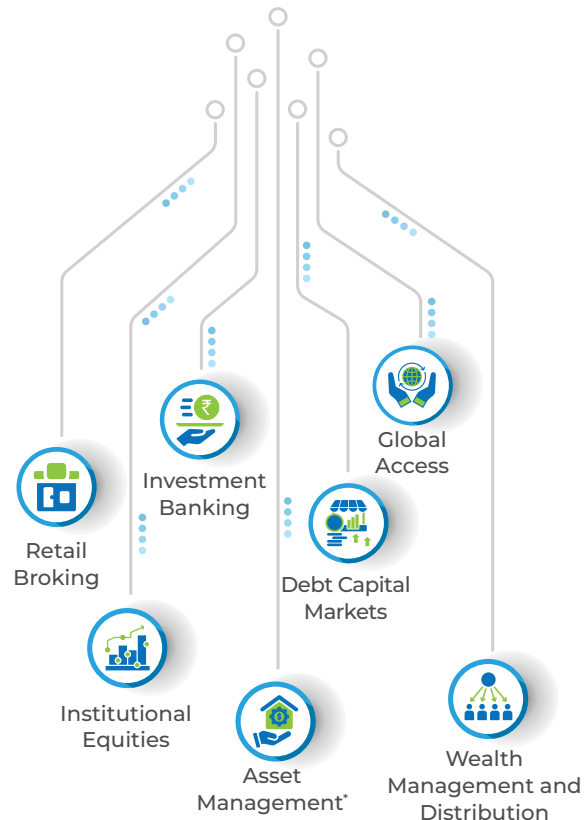
05

We strive to create a work culture that fosters inclusiveness, teamwork and an entrepreneurial mindset in pursuit of professional excellence. Each of us is encouraged to run his/her function more like a business than just as a job.

KEY DIFFERENTIATORS

- Reshaping the industry environment with our financial expertise and broad client base, including Retail, Institutional, Corporate, and HNI clients
- Transcending excellence in a highly evolving and competitive business landscape through innovation, expansion, increased operations and enhanced brand visibility
- Providing tailor-made and personalised client services via innovative and smarter approaches
- Employing inventive processes and best research practices to offer cost-effective, profit optimising and low risk solutions
- Utilising technology to develop seamless solutions for simplifying client experiences and fulfilling their financial goals
- Achieving greater customer engagement and satisfaction by continually innovating our products, services, technology and engagement models.

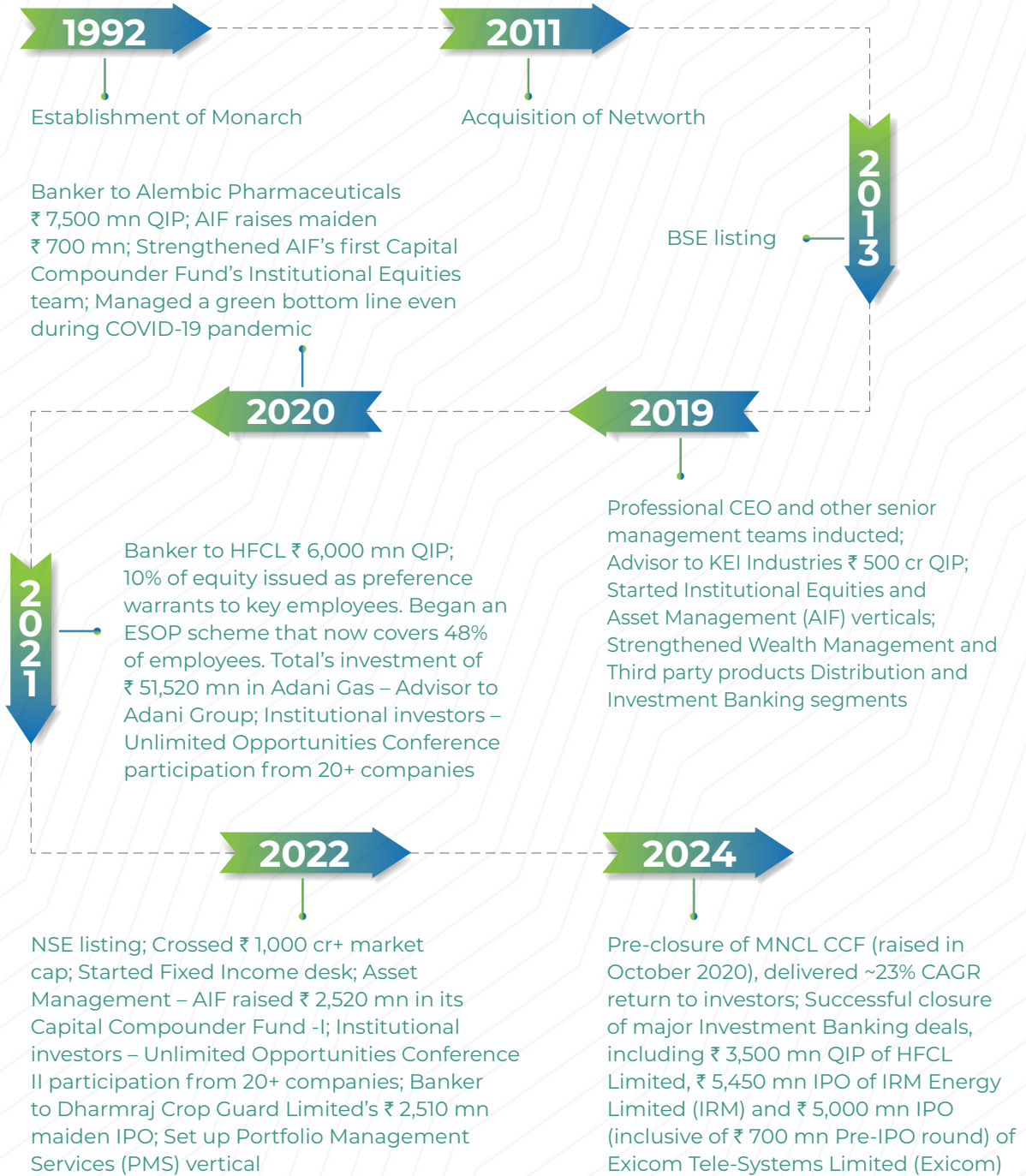
OFFERING A DIVERSE SPECTRUM OF FINANCIAL SOLUTIONS



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

Our Journey

STRATEGIC LANDMARKS



Message from the Chairman

A JOURNEY OF TRANSFORMATION AND ROBUST GROWTH

**DEAR
STAKEHOLDERS,**
**I AM THRILLED TO PRESENT
MNCL'S ANNUAL REPORT
FOR FY24.**

ECONOMIC OVERVIEW

In FY24, the Indian economy maintained its momentum, showcasing resilience and robust growth. India's economy grew by 8.2% against 7% in FY23, while consolidating its position as the fastest growing major economy. Despite challenges like volatile foreign flows and economic disruptions such as ongoing geopolitical tensions, prudent fiscal management during COVID-19 laid a foundation for a reduction in fiscal deficit from 6.4% in FY23 to 5.8% (provisional) in FY24, notwithstanding rising oil prices and extensive welfare measures.

FY24 ended on a positive note across key metrics. The Purchase Manager's Index for manufacturing and services rose from 57.2 and 62 in April 2023 to 59.1 and 61.2 in March 2024, respectively, indicating economic buoyancy and stronger growth in the latter half of FY24. CPI inflation decreased from 5.66% in March 2023 to 4.85% in March 2024, amid ongoing Middle East tensions. The Reserve Bank of India (RBI) maintained the benchmark repo rate at 6.5%, ensuring a positive real interest rate despite prior rate hikes.

Bank credit growth surged impressively by 20.5%, despite challenges in deposit mobilisation to support



IN FY24, WE ACHIEVED RECORD-BREAKING FINANCIAL PERFORMANCE WITH OUR NET PROFIT SOARING TO ₹ 123.1 CR, MARKING AN IMPRESSIVE 186.5% Y-O-Y INCREASE. OUR ROBUST GROWTH WAS POWERED BY FAVOURABLE INDUSTRY TAILWINDS AND OUR ONGOING STRATEGIC INITIATIVES OVER THE PAST FIVE YEARS. IT LED TO STRONG PERFORMANCES ACROSS OUR ESTABLISHED AND NEW BUSINESSES, HEIGHTENED BRAND RECALL AND EXPANDED REACH.

this level of loan growth. Growth was polarised, with industry loans up 9.1% and retail loans soaring 28.3%, reflecting cautious industry borrowing despite positive indicators. Also, industries are increasingly tapping NBFCs and the bond market, underscoring that bank credit growth may not fully reflect their borrowing dynamics.

However, the K-shaped economic recovery, evident in sectoral disparities, remains a concern for the sustainability of this economic traction. Government initiatives have partially mitigated these challenges, aiming for a more balanced economy.

MARKET OVERVIEW

The stock market was on a roll in FY24, setting off one of the highest gains in recent years, with the Nifty 50 soaring by an impressive 28.3%, a stark contrast to the marginal slip of 1.8% in FY23. Notably, domestic institutional investors have taken the lead in driving market dynamics, marking a shift from the historical dominance of foreign portfolio investors. Individual investor participation has also surged significantly, evidenced by the growth of demat accounts from 114.5 million in FY23 to 148.1 million by end-FY24 and robust 32.8% CAGR in demat accounts over the last five years.

Market turnover surged in FY24, in tandem with the indices. Cash segment trading on the BSE and NSE increased by 54.9% and 51.1%, respectively, (NSE trading volume 12 times > BSE). Derivatives, predominantly NSE traded, also reported robust growth. Trading volumes for single stock futures, index options, and individual stock options rose by 33.9%, 26.1%, and 47.7% respectively, although relatively smaller index futures fell by 22.1%.

Domestic mutual funds (MFs) saw a remarkable 35% surge in Assets Under Management (AUM) in FY24, the highest since FY21. Similarly, the growth in AUM of Portfolio Management Services (PMS) has more than doubled in the past five years, from ₹ 15.40 lakh cr in January 2019 to ₹ 32.22 lakh cr in January 2024.

All financial market regulators have intensified vigilance, issuing strict measures for non-compliance and deviant behaviour. Concurrently, they have implemented progressive initiatives aimed at financial market development. Notably, SEBI's consultation on the 'T+0 settlement' could revolutionise trading and settlement practices, setting a global benchmark.

PERFORMANCE OVERVIEW

We are proud to announce that FY24 marked a historic milestone in terms of financial performance in our 30+ year journey. Our Net Profit reached a high of ₹ 123.1 cr in FY24 over ₹ 43 cr generated in FY23, indicating an impressive 186.5% increase. The Return on Equity also surged from 19% to 35.6% (based on end-point net worth), reflecting our robust financial performance.

While our sector enjoyed favourable tailwinds, our success is not solely attributable to industry trends. It is also a testament to the strategic initiatives that we implemented over the past five years, positioning us uniquely in our domain.

186.5%

Y-o-Y growth in net total income in FY24

₹ 43.9 cr

Highest-ever revenue in investment banking division in FY4

₹ 252 cr

Raised successfully through second AIF scheme in FY24

FY24 was a breakthrough year for our Investment Banking division, achieving substantial growth across revenue, profitability and deal volume. We recorded our highest-ever revenue from operations at ₹ 259.6 cr, marking a remarkable 66.5% Y-o-Y increase.

FY24 proved transformative for our Investment Banking division, marking significant growth in revenue, profitability, and deal volume. We recorded our highest-ever revenue of ₹ 43.9 cr, a 138.5% Y-o-Y increase. We closed a larger number of investment banking deals in FY23, including the flagship ₹ 5,000 mn IPO of Exicom Tele-Systems, amidst challenging market conditions, leveraging our team's strong domain knowledge, execution capabilities and market insights.

Our Net Institutional Brokerage revenues increased by 24.9% Y-o-Y, despite facing attrition challenges. Further, our Fund Management performance surged to ₹ 9 cr, up from ₹ 2.18 cr in FY23, despite managing only one active fund (MNCL CCF – 1) for most of FY24, following the pre-closure of MNCL CCF in May 2023 and facing volatile markets.

With talent acquisition remaining a pivotal focus, we strengthened our team across verticals through proactive team planning, balancing growth and efficiency. Our strategic investments in sustainable growth have boosted revenue by ₹ 176 cr from FY21 to FY24, with just a ₹ 16.4 cr increase in employee benefit expenses while signifying a major jump in employee productivity.

CHARTING NEW PATHS WITH STRATEGIC FOCUS

We focussed on diversifying our business while tapping opportunities and mitigating risks to drive strong performance across established and new businesses and stabilise our revenue streams. Our commitment to less transactional and more value-based business has helped reduce overall business volatility.

We continue to undertake significant investments in cutting-edge technology and upskill employees to adapt to evolving customer investment goals, drive seamless operations and deliver innovative, tech-driven, research-backed financial solutions. Additionally, we remain committed to maintaining high standards of quality amidst our research-intensive operations.

Additionally, we continue to invest heavily in cutting-edge technology and upskilling our workforce to meet evolving customer investment goals, drive seamless operations and deliver innovative, tech-driven, research-backed financial solutions.

Underscoring our commitment to strong investor relationships and sustained growth, we achieved a robust ~23% CAGR for the pre-closure of MNCL CCF and attracted a high rate of repeat investors for MNCL CCF-2, which closed in April-May 2024.

Our robust brand-building efforts helped boost visibility and engage with our audience across multiple platforms, laying a strong foundation for continued growth and engagement.

OUTLOOK

As we plan for the next phase of growth, we foresee robust growth in capital market activities, including IPOs and QIPs, driven by strong macroeconomic

indicators including expectations from the new government to sustain momentum in governance and administrative reforms.

Our Investment Banking division is well-positioned with a promising pipeline and expanded team to effectively close deals. Across Institutional Equities, we aim to enhance stock coverage with an expanded team, better client service and new client additions.

Under Funds Management, we are currently managing two successful AIF schemes with combined AUM exceeding ₹ 1,000 cr. To enhance business stability, we are focussing on increasing 'annuity' businesses. Hence, we are collaborating with a consultant to explore entry into the mutual fund business. We also plan to launch a PMS in our Funds Management division to complement our AIFs and diversify our offerings.

Further, we are developing a robust channel partner network for funds management, enhancing our visibility and expanding our investor base both domestically and internationally.

As I conclude, I would take this opportunity to express my heartfelt gratitude to our customers, employees and all stakeholders for their continued support and trust in our journey of resilient and sustained growth.

We are appointing a highly reputed auditor, who, we believe will increase our credibility further. We are also proposing to augment and revamp our Board to include eminent professional(s).

With established and new businesses thriving, we are ready for our next significant leap forward, achieving shared prosperity.

Manju Bafna

Chairman & Whole time Director – MNCL



FY24 Performance

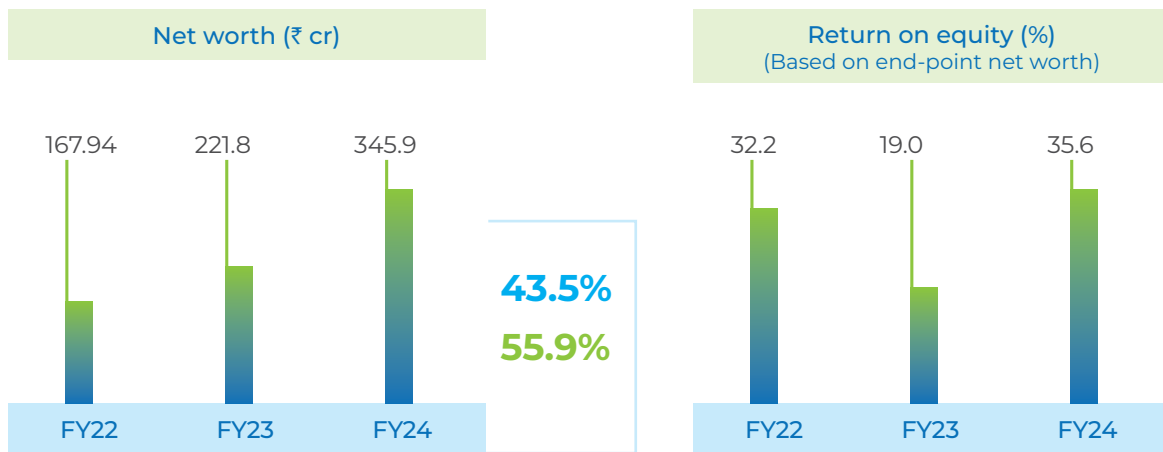
OUR ROBUST PERFORMANCE IN NUMBERS

PROFIT AND LOSS METRICS (CONSOLIDATED)



■ 2-year CAGR ■ Y-O-Y

BALANCE SHEET METRICS (CONSOLIDATED)

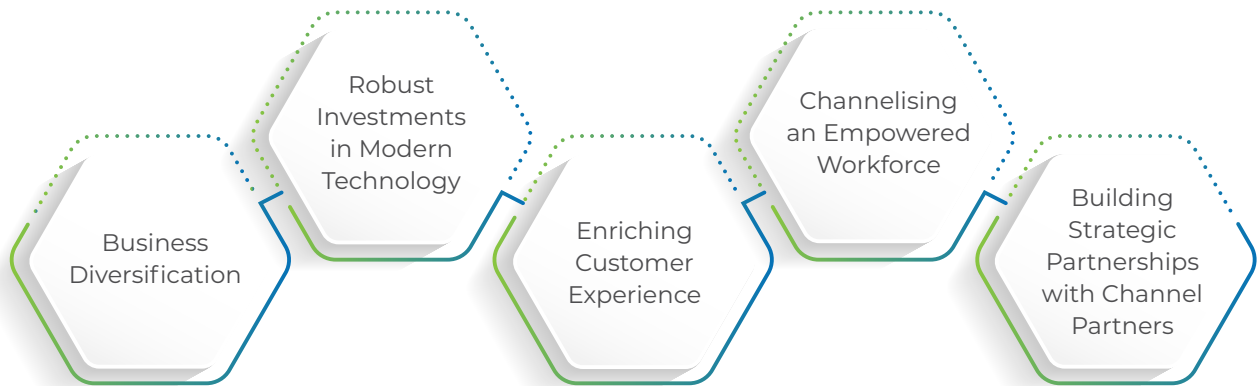


Strategic Focus

A QUANTUM LEAP TOWARDS INNOVATION AND EXCELLENCE

Our strategic focus on diversification, advanced technology, a skilled workforce, customer-centricity and strategic partnerships fostered a culture of excellence and spurred robust growth across verticals. With established and new businesses thriving, we stand at an inflection point, positioned for the next quantum leap.

STRATEGIC FOCUS AREAS



BUSINESS DIVERSIFICATION

Our strategic focus on diversifying across business verticals has helped us build a stronger and more stable business with a profitable revenue mix.

Diversification Strategy

Traditionally focussed on retail broking, we began diversifying into other businesses starting from FY20. These include institutional equities, alternative investment fund management, investment banking and fixed income. Our diversification focus has significantly transformed our business model from a transaction-oriented business to a predictable business generating stable cash flows while expanding customer reach and delivering enduring stakeholder value.

In FY24, our focus on diversification aimed to stabilise our top line and mitigate inherent volatility linked to stock market dependency. With a robust business mix, competent team, additional revenue streams,

legacy retail broking business, continual investments in advanced technology, and increased presence on various social media platforms, we continue to accelerate growth across verticals and expand to new frontiers.

In FY25, in addition to initiatives highlighted elsewhere, we are planning to launch a pre-IPO fund as well as a PMS scheme.

High Performance Across New Business

Operating in a high-risk capital market environment, business diversification has helped us to mitigate risk by establishing multiple business lines. With the

Securities and Exchange Board of India (SEBI) and the stock exchange enforcing stringent risk mitigation measures for significantly reducing risks through regulatory compliance, we continue to prioritise risk management extensively. We have integrated risk management throughout our operations beyond just forming a risk management team. We have engaged a consultant to assess our processes and recommend control measures, adhering diligently to norms. Additionally, we plan to appoint a highly reputable auditor in FY25.

Our legacy retail broking segment, while sensitive to market fluctuations, remains a cornerstone of revenue generation. While institutional equities offer larger-scale transactions, investment banking operates on project-based cycles and funds management provides consistent, annuity-like income. This strategic

diversification allows us to balance risks as their cycles often do not coincide.

We currently have two AIFs operational. In FY24, we began exploring entry into the mutual fund sector. Our overall retail business, unlike transactional models, is value-based, which inherently reduces volatility in new ventures like mutual funds.

Since FY20, our strategic diversification into new business lines such as institutional equities, funds management, investment banking, WTPD (wealth and third-party products distribution) and fixed income has stabilised our revenue streams while unlocking new growth avenues.

With a strategic focus on investment banking and fund management, we have achieved substantial growth and expansion in our new businesses in FY24, setting the stage for our next level of growth.

ROBUST INVESTMENT IN MODERN TECHNOLOGY

We have recently made substantial investments in cutting-edge technology to elevate our operational efficiencies, risk management competencies and customer journey. By offering innovative solutions, we strive to streamline processes and consistently deliver exceptional experiences. Additionally, we modified and strengthened our mobile app 'Reसच' in FY24.

ENRICHING CUSTOMER EXPERIENCES

At MNCL, we prioritise customer interactions and value delivery, anchoring our commitment to customer centricity. Undertaking thorough research to evaluate their financial goals, we offer customised solutions and targeted initiatives to enrich customer experiences and foster long-term loyalty.

Driving Customer Engagement

We have strengthened our customer service by setting up a dedicated customer service desk. Customer queries are now resolved with a predefined TAT (turnaround time) and rigorously monitored at every level, right from the top.



Customer Testimonials



RAJESH SAHANA

President, Customer Experience - Lodha

Monarch stands out as a research-oriented and agile financial services firm, consistently surpassing market performance through in-depth research, thorough analysis and adaptability to market shifts. Supported by an exceptional customer relationship management team committed to genuinely understanding clients' needs, my satisfaction with Monarch has only grown over time. Choosing Monarch means partnering with a firm devoted to wealth creation, transparency, personalised service, swift issue resolution, and cultivating robust client relationships – an indisputable choice of a brokerage firm. They transcend from a wealth management company to become your financial partner, always prioritising your financial well-being. My belief in Monarch is further evidenced by my recommendation of Monarch to my closest friends and family, today all of whom share similarly positive experiences.



DIMPLE SHETH

(Sub-broker at MNCL)

In my role as a business partner, I have been an integral part of the Monarch family for over 25 years. This company is not just a business collaboration for me; it is an inseparable part of my journey, one that has been pivotal in my growth when other avenues were limited. Beyond business metrics and profits, what truly sets Monarch apart is the invaluable relationship we have built over the years. It is this connection that I hold most dear. Everything else – success, growth and prosperity – simply fell into place. I wholeheartedly recommend Monarch to anyone in search of a dependable business partner, who contributes to your growth and serves as a shield, steadfastly protecting you in times of need.

To aspiring business partners, my advice is to shift the focus from immediate profits to the foundation of trust with your customers. Monarch has shown me that customer-centricity is the key to flourishing in this industry. Embrace the journey with Monarch, finding not just a business partner but a supportive ally in your pursuit of success.

CHANNELISING AN EMPOWERED WORKFORCE

Recognising the pivotal role of our workforce in achieving our broader objectives, we prioritise investment in robust employee engagement initiatives. Our strategic emphasis lies in strengthening capabilities, optimising learning and development, rewarding excellence and promoting overall well-being.

During FY24, we also focussed on bolstering our team strength across all business segments. We proactively planned teams ahead of requirements while avoiding overstaffing, which has proven beneficial for our operations in the fiscal year.



Employee Engagement Initiatives

In FY24, as part of our employee engagement strategy, we organised several programmes to motivate and engage our workforce, including.

- Independence Day: Best of Waste drive
- Diwali: Potluck and Rangoli competitions
- Ganesh Chaturthi: Pandal decoration competition
- Navratri: 9-day colour theme
- Christmas: Secret Santa and candle making
- We also supported the education expenses of employees earning gross salaries below ₹ 20,000

37

Employees assisted with child education fees

395

Total employees

Gender diversity

80.5% vs 19.5%

Male Vs Female

16.1% vs 14.3%

FY24 Vs FY23

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

83.9% vs 85.7%

FY24 Vs FY22

Retention rate

Customer Testimonials



SP SORNALINGAM

Zonal Head – South, MNCL

Hello. I am SP Sornalingam, currently serving as Zonal Head - South at Monarch. My journey with Monarch spans even rewarding years, during which, I have led the growth and enhancement of our broking and third-party distribution business across various channels in the southern regions. Our core principle of 'value creation' drives our efforts, focussing on all stakeholders. I take great pride in successfully nurturing and strengthening our relationships with clients and

business partners. My achievements are a testament to the dedicated and highly motivated team I have the privilege of working with, as well as unwavering leadership support. One of the most appealing aspects of working with Monarch is the entrepreneurial spirit it fosters. Here, learning never stops, and meritocracy is recognised beyond the usual appraisal cycles. This environment has not only propelled my professional growth but has also enriched my personal journey.



PAURAS SHAH

Senior Manager – Backoffice Operations, MNCL

Greetings! I'm Pauras Shah, currently serving as the Senior Manager of Backoffice Operations at Monarch. My association with MNCL has spanned an incredible 15 years. I take immense pride in being a part of the MNCL family since 2006. In my role, I oversee a wide array of operational activities, including Exchange-related functions, process automation, in-house development of new applications and team management, among others. Reflecting on my 15-year journey, I find it truly fascinating that while I have grown significantly in my professional capacity, I still maintain the enthusiasm and hunger for

innovation that I had as a fresher. Throughout this remarkable journey, I have consistently challenged myself and my team to constantly raise the bar, generate fresh ideas to optimise processes, enhance client experiences, boost productivity and reduce costs. This level of dedication stems from the trust and freedom bestowed upon me and my team by the management. At Monarch, we embrace a culture of ownership, committed to executing our responsibilities with utmost dedication and accountability.

Strengthening Brand

FOCUSSED ON BRAND RECALL

Underscoring our commitment to strategic growth and deeper connections, our focussed marketing programmes aim to cultivate lasting associations and heightened brand visibility. Our efforts are centred on creating a cohesive and compelling brand narrative that resonates with our stakeholders.

In the last six months, we have embarked on a comprehensive brand-building journey, strengthening our presence and engaging with our audience across multiple platforms, laying a solid foundation for continued growth and engagement.

STRATEGIC BRAND BUILDING

Social Media Strategy

We kickstarted our brand-building efforts by revamping our social media content strategy. Through interactive and engaging content, we have grown our social media pages exponentially. These include regular posts, insightful articles, market updates and interactive content such as polls, quizzes and

live sessions, to engage our audience and foster community interaction.

76 Number of social media posts (comprising initiating coverage 16, festival post 16, videos 14, others 30)

Successful Campaigns

In FY24, we hosted successful corporate campaigns, driving customer engagement and enhancing brand visibility.

Exicom IPO Campaign

MNCL served as the lead banker for the Exicom Tele-Systems IPO (issue size of ₹ 429 cr). The IPO was fully subscribed due to an overwhelming response from retail investors, marking another success story for MNCL. To amplify this achievement, we executed a comprehensive reach campaign across Meta, LinkedIn, Twitter, and YouTube, witnessing a cumulative reach of 10 mn across platforms and significantly boosting our brand awareness.

10 mn

Cumulative reach across platforms



AIF Closure Campaign

The AIF Closure campaign was another highlight, generating fascinating statistics and reflecting our strategic prowess in executing high-impact campaigns that drive engagement and deliver measurable results.



Reach Campaigns

We executed extensive reach campaigns across multiple platforms including Meta, Instagram, LinkedIn, Twitter and the Google Display Network (GDN).



Premium Placements

Our brand secured key placements on prominent sites such as Moneycontrol.com, NDTV.com and Forbes.com, among others.

Video Marketing

Showcasing MNCL's research-backed solutions, we utilised video marketing to effectively communicate the unique selling points (USPs) of our offerings to a broader audience, increasing follower growth.

10%
Increase in follower growth

FUTURE ROADMAP

MNCL is gearing up for future growth and brand reinforcement through key initiatives.

Revamped Website

- In process to launch a revamped website with enhanced user experience, streamlined navigation and rich, informative content
- The new website will serve as a central hub for all stakeholders to access valuable information and updates about our services and initiatives

Corporate AV

- To release a Corporate AV encapsulating our brand essence, showcasing our achievements and outlining our future vision
- The audiovisual presentation will be a critical tool in our brand communication strategy, compellingly conveying our story

Leveraging New-Age Platforms

- Remain committed to leveraging all new-age platforms for a robust brand narrative
- Plans to increase our presence manifold through innovative digital marketing strategies and cutting-edge technologies to connect with our audience more effectively

By focussing on strategic content creation, successful campaigns and future-focused initiatives, we are poised to establish a robust and resonant brand presence in the financial services industry.

Segment Review

EMPOWERING PROGRESS WITH DIVERSIFIED GROWTH

We focussed on diversifying our product portfolio, tapping opportunities and mitigating risks to drive sustainable and inclusive growth. We strive to fulfil the evolving investment goals of our customers and deliver enduring value through innovative customised, tech-driven, research-backed financial solutions.

Throughout our business, particularly in retail, we operate on the principle of value creation over chasing numbers. Unlike some peers focussed on client acquisition metrics, we focus on delivering value to our key clients through our research (whether originating from the institutional or retail desk), to our key clients.

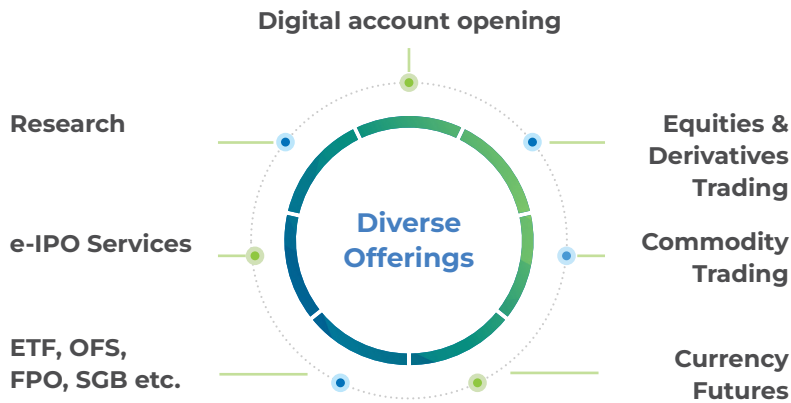
SEGMENT REVENUE MIX

Revenue	(₹ in cr)
Fees & Commission Income (broking, retail, institutional)	127.92
Interest Income	71.99
Merchant banking & Other Services	43.86
Asset Management Services	8.99
Non-banking Finance Business	8.26
Insurance Business (commission from insurance distribution)	1.68
Others (unallocated)	19.03



RETAIL BROKING

Our retail broking division has grown at a steady pace since its inception. Prioritising customer needs and a performance-driven approach, we continue to expand our retail operations nationwide rapidly. Our retail fundamental research division identifies long-term investment themes/ideas with a dipstick approach to aid clients in wealth creation and foster lasting relationships. Additionally, our Technical & Derivative Analysts provide speedy short to mid-term trading ideas across equity, derivatives, commodities and currency segments.



Key FY24 Highlights

- The segment's growth has solely come from the phenomenal returns made by high-net-worth individuals (HNIs) and retail investors based on our recommendations
- We offered in-depth and differentiated research, usually excluding mainstream stocks
- Satisfied clients led to increased business for us, both through mining existing clients and expanding our client base
- We created sufficient retail goodwill to propel our journey forward
- Established platform and processes to iron out our glitches
- Maintaining focus on continued value generation in the coming years

Key Takeaways

- **Diverse product portfolio across assets**
- **180+ robust relationship managers with a steadfast focus on maximising client wealth through extensive research-backed decision-making**
- **Robust research-based advisory service for investment and trading**
- **Ease of transacting (e-KYC), best trading platforms and customised product offerings**
- **Excellent investing experience via DIY platforms across the web, app and exe**

2,80,000+

Robust clientele

900+

Business partners

100+

Presence across cities



INSTITUTIONAL EQUITIES

With our distinctive research approach and unwavering focus, we consistently strive to provide unique and value-driven solutions to our diverse clientele in our institutional equities segment.

Fulfilling Needs of Diverse Institutional Investors

Mutual Funds

Foreign Portfolio Investors

Insurance Companies

Less-focussed investors such as private equity, portfolio management services, family offices and alternative investment funds

Key Features

Report Types

- Initiating Coverage
- Updates
- Thematic reports
- Stock ideas

Research, Sales and Dealing

- With a focused sector-neutral approach, we specialise in assessing undervalued and under-researched stocks with high growth potential in small and mid-cap segments
- Conduct research evidenced meetings and interactions with unlisted corporates through field surveys and channel checks
- Generate various types of research reports such as stock coverage and sector coverage
- Possess efficient execution capabilities across dealing

Corporate Access

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

INDIA | Institutional Research | Metals | 10th July 2023

Vesuvius India Ltd.

CMP: Rs2,500; MCap: Rs48.8bn | TP: Rs2,960

Flow with control

We initiate coverage on Vesuvius India Ltd. (VIL), with a TP of Rs2960 and a BUY. An unquestioned leader in flow control refractories and a pioneer in allied solutions, VIL is set for the next stage after successfully riding over a hump of revenue and margin adversity, with sectoral tailwinds to buttress the same. Its leadership position in innovation and services offerings enjoy additional ballast from its MNC parent, for whom India has been a noteworthy performer. Coupled with that, traction derives from a planned, outsized ~25% addition to steel capacity in three years, VIL's preferred vendor status for marquee steel plants, introduction of the relatively less competitive Mould Flux Powder product and large capex plan of Rs5bn. With a potential margin expansion of 200-300bps leading to best in industry ROE/ROCE, lean working capital, best CFO/EBITDA ratio, regular FCF generation and large cash chest can drive further re-rating. Revised pecking order: IFGL, VIL over RHIM.

- **The specialist – capitalising on the technology edge:** VIL's strategy is clearly to be leader in innovation and technology for their products and services, as against running a dispersed portfolio. Vesuvius PLC, parent of VIL, is a global leader in flow control refractories due to huge R&D spends (double that of a large peer) and customization. Notably, Vesuvius PLC's flow control volume growth in 2022 handsomely outperformed steel production growth in most countries. Moreover, being the pioneer in services and preferred by all large steel plants, VIL has been successful in reducing downtime, increasing efficiencies, and ensuring safety for customers. We expect the services momentum to continue notwithstanding the doubling in CY22.
- **Huge demand tailwinds and product additions to drive growth:** With a massive 32m tonnes of new steel capacities to be commissioned over 3 years, and some more for specialty steel, VIL should enjoy demand tailwinds, as historically it has growth twice as fast as steel production. Additional advantage accrues from steel plant equipment OEMs preference for market leaders like VIL and RH Magnesia for refractory needs, and VIL's large vendor status for ArcelorMittal Nippon Steel. The augmented VISO and precast capacity in 2022 and its new capex program of Rs5bn over 5years, can collectively double its current revenues. In addition, a prudent foray into Mould flux powder with no major competition can culminate in a 15-5% revenue CAGR over CY22-25E.
- **Impeccable, best-in-class financial metrics:** VIL has surmounted its struggle on margins in last few years due to several challenges like change in leadership, pandemic and war related disruptions, raw material, and freight cost inflation. Also, with the rebound in the high-margin services business and no risk of rise in royalties, we expect a 200-300bps margin expansion in 2 years, and consequently best-in-industry return ratios. VIL also sports a remarkable working capital profile and EBITDA to CFO conversion ratio which create a strong balance sheet with large cash chest. Moreover, a commendable capital allocation strategy of pursuing inorganic opportunities at the right cost and for technological edge makes it an all-round outperformer.
- **Best in the industry, deserves premium valuations:** We believe that VIL will have the best in industry financials post margin expansion which is why we attribute a premium multiple i.e., 32x Jun'25E PER to arrive at a TP of Rs2960/sh. On CMP of Rs2500, stock is trading at 28x 1-year forward PER. We initiate coverage with a BUY rating on the stock. Key risks: delay in completion of capex, slowdown in domestic steel capacity expansion.

Y/E Dec (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	PAT	YoY (%)	EPS	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
CY20	7,915	-10.8	768	9.7	530	-38.0	26.1	6.4	6.3	36.6	18.0
CY21	10,472	32.3	993	9.5	681	28.5	33.5	7.8	7.6	29.7	14.8
CY22	13,426	28.2	1,639	12.3	1,168	71.5	57.5	12.3	11.7	21.7	12.0
CY23E	15,282	13.8	2,189	14.3	1,592	36.3	78.4	14.9	14.0	31.9	20.5
CY24E	17,480	14.4	2,547	14.6	1,787	12.2	88.0	14.7	13.8	28.4	17.4
CY25E	20,772	18.8	3,097	14.9	2,145	20.1	105.7	15.5	14.6	23.7	14.1

Source: Company, MNCL Research estimates



Investment Idea

INDIA | Institutional Research | Utilities | 17 August 2024

SJVN Ltd. | BUY | TP: INR 125 | CMP: INR 84 | Upside: 48%

Run with the flow!

We initiate coverage on SJVN with a BUY rating and highlight the stock's potential in delivering robust returns to the tune of 2-3x over a 3-5 year period. The company is a renewable energy play with solid fundamentals; despite the recent re-rating, driven by expectations of near-term high revenue and EPS growth, we believe SJVN's share price momentum is sustainable, propelled by our expectations of continued high growth over mid-to-long term. The company is fairly unique in terms of its proven ability to operate efficiently and deliver far more value than its peers despite being much smaller in absolute size. Our earnings estimate and target price for FY26 are higher than the consensus.

- **Ambitious capacity expansion plans:** From the current installed capacity of 2.1 GW, mostly hydropower, SJVN aims to achieve a capacity of 12GW/25GW/50GW by 2026/2030/2040 mainly by investing in renewables, including hydro, and one coal-based thermal power project. Preparations are already on towards that objective. On our estimates, SJVN will achieve a capacity mix of hydro/other renewables/thermal of 38%/46%/16% and unit generation mix of 52%/16%/32% assuming an installed capacity of 8.3 GW by FY26.
- **Strong fundamentals backed by a history of efficient operations:** Even though NHPCL is the largest listed hydropower producer in India with a capacity of 76W, SJVN has a higher average plant load factor (PLF) of 54% versus NHPCL's 46% and India average of 39%. Its plant availability factor (PAF) has also been consistently above 100% compared to the normative requirement of 85-90% set by the electricity regulator. As a result, SJVN has enjoyed superior profitability over the years, with an average ROE of 15% over 2014-2022, compared with NHPCL's 9.4% over the same period.
- **Supported by favorable sector dynamics and GoI initiatives for renewables:** India's per capita energy consumption of 1,297 kWh per annum is ~1/3rd of the global average and has grown at a 7-year CAGR of 2.2% over FY16-22, which is less than half of the GoI's estimated 4.8% increase in peak power demand CAGR over 2023-30. As a result, the GoI has set a target of achieving 500GW of renewable energy capacity, including hydro, by 2030 from 172GW currently, implying a CAGR of c.16%. While the focus is more on renewable power, the government has also indicated a need for an additional 80 GW of coal-based capacity by 2030 to meet peak power demand needs. While no subsidies are offered for setting up a power plant, GoI has mandated state discoms to increase purchase of renewable power.
- **Potential upside of 2-3x when taking a longer-term view:** If the company achieves its guided 25 GW capacity by FY30, our model indicates an upside potential of 2-3x by FY30, implying a CAGR return of 18-22% over 2023-2030. On a 2-year forward basis, our model indicates a risk-reward of 1:2. Our base-case target price (TP), based on EV-to-capacity, for FY26 is INR 125, while our bull-case and bear-case TP is INR 166 and INR 61, respectively. Our estimates for FY26 imply a forward P/E of 11.4x, EV/EBITDA of 10.1x, and EV-to-capacity of 976 tnd USD per MW. **Key risks:** (i) excessive under achieving of guided capacity, (ii) delay in entering into PPAs, and (iii) worsening of receivables.



Investment Idea

Target Price 125.0 Key Data

Parameter	Value	Key Data			
Bloomberg Code	SJVN.N				
CMP*	84.4	Current Shares Q3 (mn)			
Upside	48%	Diluted Shares Q3 (mn)			
Price Performance (%)	52 Wk H / L (1m)	86.4/30.6			
	1M	6M	1Yr	3M Average Vol. (Mn)	3,348
NAV	117.1200	100.8			
Nifty	-0.1	0.8	5.9		

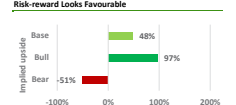
Source: Bloomberg, NSE, Company

Shareholding pattern (%)	Dec-22	Mar-23	Jun-23	Sept-
Govt. of India	59.9	59.9	59.9	55
State of Himachal Pradesh	26.9	26.9	26.9	26
Dis	1.8	4.1	4.1	1
FPIs	2.3	1.8	1.9	2
Others	7.1	7.9	7.6	12

Source: BSE

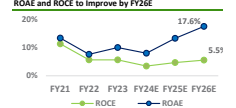
- **Why should you read this report?**
- Renewable energy play with strong capacity expansion on card
- Strong fundamentals backed by a history of efficient and profitable operations versus peers.
- Favourable sector dynamics

Risk-reward Looks Favourable



Source: MNCL Research Estimates

ROAE and ROCE to Improve by FY26E



Source: MNCL Research Estimates

Y/E (INR in mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	PAT	YoY (%)	EPS	RoAE	RoCE	P/E (x)	EV/EBITDA (x)
FY21	30,860	5.5%	24,672	5.6%	16,456	-6.9%	4.19	13.4%	11.3%	5.6	4.1
FY22	23,888	-22.6%	17,667	-28.4%	9,898	-39.9%	2.52	7.6%	5.6%	10.3	8.1
FY23	29,294	22.6%	22,650	28.2%	13,593	37.3%	3.46	10.3%	5.7%	9.6	10.4
FY24E	28,078	-4.2%	21,659	-7.0%	11,573	-14.9%	2.95	8.2%	3.6%	29.1	25.1
FY25E	32,252	89.7%	35,724	69.6%	18,204	57.3%	4.63	12.3%	4.3%	18.5	17.2
FY26E	97,344	82.8%	66,437	86.0%	29,196	60.4%	7.43	18.3%	5.7%	11.5	10.1

Source: Company, MNCL Research estimates

INDIA | Institutional Research | Consumer | 7 August 2024

Carsyl Ltd | BUY | TP:780

Syncing the sink

We initiate coverage on Carsyl with a target price of Rs 780, an upside of 35% from current levels. CARSYL, growing at a CAGR of 20%, is the only Asian and among the four global manufacturers of quartz sinks using Schock technology. We estimate the company has a market share of more than 20% globally. Its vast global presence will be further fortified by the company's widened product portfolio through the addition of adjacent categories such as steel sinks (Quadro and PVD range), kitchen appliances, countertops, and bathroom fittings. Further, the company is one of the few suppliers to leading home retail and big brands such as Kraus and Karren, Grohe and recently agreed with Ikea. The company is also scaling up its domestic operations with the trend towards Quartz sinks, which could provide long-term avenues for growth. Visits to the plant and stores and discussions with interior designers portend an extremely positive outlook.

- A global leader in quartz sinks, poised for market share improvement - Carsyl is Asia's only among the four multinational companies with German technology used for manufacturing quartz kitchen sinks. Schock & Co. (Germany) is an innovator of quartz sinks and has shared its technology with only two other players globally, apart from CARSYL. Carsyl is one of the world's lowest-cost manufacturers of quartz kitchen sinks (using Schock's technology). Given Europe's substantial increase in energy costs, the pricing gap between Carsyl and other players has widened from 20% to 40%, a cost advantage that will help Carsyl gain market share in the global quartz sink market. The company's ability to tie up with large global retailers could be a springboard for success.

- Capacity expansion, product extension a recipe for higher wallet share - To leverage its vast global presence, the company has widened its product portfolio over the years by adding adjacent categories such as steel sinks (Quadro and PVD range), kitchen appliances, countertops and bathroom fittings. Carsyl has been prudent in increasing capacity in both stainless steel sinks and appliance categories. With the help of this diversification enables the company to garner a higher wallet share of critical clients and aids in expansion in domestic markets.

- Growing domestic market - Before FY12, the company primarily focused on exports. However, the management recognized considerable growth potential in the domestic market and introduced premium products under Carsyl. With a focus on in-house manufacturing, innovative products, projects, branding, marketing, and channel expansion (2x in last year; expects to touch 3,000 dealers and 100+ distributors by Mar 23), CARSYL aims 30% CAGR in domestic sales over 3-5 years. Established trend is positive: domestic revenue grew 35% YoY to Rs 1bn in 9MFY23, contributing 22% to total revenue.

- Valuation & Risks - We expect a revenue growth of a 24% CAGR over FY23-25e driven by existing businesses and the acquisition of STL. UK. EBITDA margins are likely to see some rebound to ~19% in an otherwise tough business environment and consolidation of lower-margin STL business in FY23. We expect the company to post an EBITDA growth of 20% over the same period, while PAT growth is likely to be c.13%. Given the brand's low debt, strong clientele and robust growth drivers, we value the stock at 22x FY25E EPS of Rs.35 to arrive at our target price of Rs.780, an upside of 35% from current levels.

V/E Mar (Rs mm)	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj PAT	YoY (%)	Adj EPS	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY21	3,097	22.1%	658	21.2%	393	22.0%	14.7	20.5%	21.4%	37.8	24.0
FY22	4,839	56.2%	1,033	21.4%	653	66.0%	24.4	25.7%	27.5%	22.7	15.6
FY23E	6,106	26.2%	1,115	18.3%	577	-11.6%	21.5	18.5%	22.7%	26.9	15.3
FY24E	7,572	24.0%	1,413	18.7%	729	26.3%	27.2	19.0%	23.2%	21.3	12.3
FY25E	9,219	21.7%	1,766	19.2%	950	30.4%	35.5	19.8%	24.0%	16.3	9.9

Source: Company, MNCI Research estimates, Consolidated Financials.



Institutional Coverage

Target Price	780	Key Data			
Bloomberg Code	ACRYLN				
CMP*	580	Cur Shares Q3 (mm)			
		Diluted Shares Q3 (mm)			
Upside	33%	Mkt Cap (Rs bn) Q3 (mm)			
Price Performance (%)	52 Wk H / L (Rs)	902/432			
	1M	6M	1Yr	3M Average Vol.	50644
CARSYL	-3.1%	-8.8%	-36.4%		
Nifty	-1.1%	-3%	-3.6%		

Source: Bloomberg, ACE Equity, MNCI Research.

Shareholding pattern (%)	Dec-22	Sep-22	Jun-22
Promoter	43.91	43.91	43.91
DIC	6.45	6.37	6.22
FII	0.27	0.26	0.26
Others	49.37	49.45	49.6

Why should you read this report?

- Understand the demand for Quartz Sink
- Company's diversification Strategy
- Plant visit highlights
- Store visit and interior designer feedback

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INDIA | Institutional Research | Capital Goods | 17 August 2024

Kirloskar Pneumatic | BUY | TP: Rs 800

Releasing compressed potential

We initiate coverage on Kirloskar Pneumatic (KKPC), India's fourth largest air compressor player and a market leader in CNG compression packages and reciprocating compressors, with a BUY and TP of Rs800, an upside of c.35%. With multiple stars aligned for it, KKPC is well-poised to deliver significant value and rise above competition: i) a discernible inflection in growth trajectory both in the domestic and export markets, including, but not limited to, new product lines ii) OPM slated to leapfrog further with major business and structural changes planned, and iii) an all-round robust balance sheet fortified by its debt-free status, good return ratios, high asset turnover and enviable free cash flow generation - all feathers in the cap for a capital goods company. A comparatively new top management's determination and dominating presence in an oligopolistic industry exude a high degree of confidence. Beyond usual prospects, we envisage noteworthy optionals that can impart acceleration.

- Clearly visible potential for inflection in the growth trajectory - We expect 22%/34%/35% CAGR over FY23-26E in revenue/EBITDA/PAT respectively based on: 1) Over 40-50% market share in Rs11.5bn/yearly opportunity in CNG gas compression segment, 2) Gaining market share in rotary screw compressor segment which is a Rs.35 bn opportunity, 3) Cementing leadership in reciprocating compressor, 4) Doubling of order book over the last 5 years to Rs11.5bn 5) Government's infrastructure push, 6) Focus on developing new products, on-time delivery and push for efficiency. **KKPC's domestic TAM has increased by 5x over the past 5 years.**

- Remarkable initial success in exports for a newbie - Export sales have surged significantly since FY23, driven by successful penetration into MENA region and winning large package orders. This achievement instils confidence in the company's ability to undertake large projects in a highly competitive export market, which is dominated by MNCs. As of March 2023, company has an order book of Rs11.50 bn and enquiries from clients worth another Rs7-8 bn, primarily from MENA region. Exports segment will continue to grow fast over the medium term and we expect it to contribute over 16% to revenues by FY26E and a margin range of 18-20%, comparable to domestic.

- Robustness of balance sheet under-appreciated - We expect 295bps margin expansion by FY25, primarily influenced by reduction in the unallocated expenses by reducing corporate overheads, operating leverage resulting from higher compressor sales and focusing on cost efficiency. A cash rich company with strong cash flow generation (OCF/EBITDA>70% for FY23-26E), it can cater to all capex (Rs1bn/year) through internal accruals. KKPC's impeccable capital allocation record - no dilution in two decades - coupled with impeccable margin expansion can take return ratios beyond 20%. With its new-found aggression and financials to support, we believe KKPC can deliver industry-beating growth.

- Valuation - At CMP, the stock trades at c.18x FY25E PER. We arrive at a conservative target price of Rs800, valuing the stock at 25x FY25E (10-year PER average is c.25x). 33% discount to a key competitor Egi Equipments. There is a distinct possibility of further re-rating with accelerating growth and strengthening market position. The stock is very thinly researched in the street.

Target price	800	Key Data			
Bloomberg Code	KKPC:IN				
CMP*	590	Cur Shares Q3 (mm)			
		Diluted Shares Q3 (mm)			
Upside	35%	Mkt Cap (Rs bn) Q3 (mm)			
Price Performance (%)	52 Wk H / L (Rs)	654/392			
	1M	6M	1Yr	3M Average Vol.	54,532
KPC	1.0	-1.7	41.4		
Nifty	2.5	0.0	11.7		

Source: Bloomberg, NSE, BSE, Company

Shareholding pattern (%)	Mar-23	Dec-22	Sep-22	Jun-22
Promoter	38.00	39.20	39.13	33.63
DIC	29.26	28.67	28.32	18.13
FII	0.51	0.56	0.45	0.17
Others	31.21	31.69	32.09	27.07

Why should you read this report?

- To understand the domestic and global compression market
- Where KKPC is positioned in the compression market
- KKPC's 5x increase in domestic target addressable market

Segment (Rs in mm)	Target addressabl e market	Market share estimat e
Air compressor	35,000	9%
Process gas systems	10,000	50%
Refrigeration and air compression system	6,000	60%
CNG gas compressor market	11,500	40-50%
Roadrollers #	12,000	100%
Biogas infrastructure	4,000	<10%
Hydrogen Gas Infrastructure #	3,223	0%
Total TAM per year	81,723	

Source: MNCI Research estimates, potential opportunities

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V/E Mar (Rs mm)	Revenue	YoY (%)	EBITDA	EBITDA (%)	PAT	YoY (%)	EPS	RoE	RoCE	P/E (x)	EV/EBITDA (x)
FY21	8,233	-1%	1,150	14%	638	19%	9.94	12%	12%	36.96	19.01
FY22	10,212	24%	1,425	14%	849	33%	13.22	14%	16%	31.22	17.45
FY23	12,393	21%	1,657	13%	1,086	28%	16.67	15%	17%	33.21	20.58
FY24E	15,294	23%	2,274	15%	1,499	38%	23.29	18%	21%	25.34	16.13
FY25E	18,879	23%	3,081	16%	2,064	38%	32.07	21%	25%	18.40	11.78
FY26E	22,546	19%	3,964	18%	2,678	30%	41.61	23%	26%	14.18	8.74

Source: Company, MNCI Research estimates

Key FY24 Highlights

- In FY24, net institutional brokerage revenues grew by 24.9% over FY23, despite a slight decrease in team size due to attrition
- In FY24, we significantly expanded our client base while engaging more with existing clients
- Alongside regular client servicing through calls and addressing queries, we conducted numerous corporate roadshows (physical + virtual) for our clients



Power Ideas

We started a product 'Power Ideas' around two years ago. Every quarter, we enunciate 5-6 high conviction ideas. These selections, though not exclusive, are considered the most important ones for the quarter. Additionally, we publish quarterly Microsoft Excel XIRR of the portfolio, always assuming equal weights for the ideas and no drawdowns.

By the end of FY24, four out of our last six Power Ideas have outperformed benchmark indices, affirming our stock selection strategy.

Q3 FY23 power ideas	CMP	Initiation (30 Sep 2022)	Chg
SUNDARAM FINANCE	₹ 4,090	₹ 2,263	80.74%
LA OPALA	₹ 300	₹ 338	-11.14%
SAFARI IND	₹ 1,734	₹ 1,659	4.51%
KIRLOSKAR FERROUS	₹ 540	₹ 267	102.25%
FIEM IND	₹ 1,138	₹ 725	56.97%
Power Ideas mean return			46.66%
NIFTY 50	22326.9	17,094.35	31.66%
NIFTY 500	20255.15	14,829.35	38.16%

Q4 FY23 power ideas	CMP	Initiation (30 Dec 2022)	Chg
HOME FIRST FINANCE	₹ 899	₹ 730	23.15%
TIMKEN INDIA	₹ 2,862	₹ 3,105	-7.83%
ETHOS	₹ 2,589	₹ 1,019	154.07%
VIP IND	₹ 517	₹ 670	-22.84%
MANAPPURAM FINANCE	₹ 174	₹ 116	50.00%
Power Ideas mean return			39.31%
NIFTY 50	22326.9	18,105.30	24.31%
NIFTY 500	20255.15	15,448.85	32.62%

Q1 FY24 power ideas	CMP	Initiation (31 Mar 2023)	Chg
WONDERLA HOLIDAYS	₹ 989	₹ 428	130.97%
EQUITAS SFB	₹ 92	₹ 67	37.91%
RATNAMANI METALS	₹ 2,756	₹ 1,975	39.54%
LA OPALA	₹ 300	₹ 340	-11.66%
SAFARI IND.	₹ 1,734	₹ 1,024	69.34%
FIEM INDUSTRIES	₹ 1,138	₹ 782	45.52%
Power Ideas mean return			51.94%
NIFTY 50	22326.9	17,359.75	29.65%
NIFTY 500	20255.15	14,557.85	40.74%

Q2 FY24 power ideas	CMP	Initiation (30 June 2023)	Chg
TIMKEN INDIA	₹ 2,862	₹ 3,411	-16.09%
IFGL REFRACTORIES	₹ 544	₹ 348	56.41%
LANDMARK CARS	₹ 745	₹ 710	4.96%
HINDWARE HOME	₹ 375	₹ 543	-31.03%
CREDITACCESS GRAMEEN	₹ 1,423	₹ 1,252	13.67%
Power Ideas mean return			5.58%
NIFTY 50	22326.9	19,189.05	17.29%
NIFTY 500	20255.15	16,430.00	24.70%

Q3 FY24 power ideas	CMP	Initiation (29 Sep 2023)	Chg
CAN FIN HOMES	₹ 754	₹ 764	-1.29%
KIRLOSKAR FERROUS	₹ 540	₹ 480	12.50%
KIRLOSKAR PNEUMATIC	₹ 706	₹ 660	6.89%
LANDMARK CARS	₹ 745	₹ 783	-4.82%
LINC	₹ 517	₹ 769	-32.77%
TRIVENI ENGINEERING	₹ 310	₹ 379	-18.21%
Power Ideas mean return			-6.28%
NIFTY 50	22326.9	19,638.30	13.69%
NIFTY 500	20255.15	17,292.60	17.13%

Q4 FY24 power ideas	CMP	Initiation (29 Dec 2023)	Chg
FIEM INDUSTRIES Ltd.	₹ 1,139	₹ 1,045	9.05%
LANDMARK CARS Ltd.	₹ 745	₹ 831	-10.32%
MANAPPURAM FINANCE	₹ 174	₹ 172	0.87%
SJVN Ltd.	₹ 122	₹ 91	33.63%
VENUS PIPES & TUBES Ltd.	₹ 1,901	₹ 1,401	35.69%
WONDERLA HOLIDAYS LTD.	₹ 989	₹ 846	16.90%
Power Ideas mean return			14.30%
NIFTY 50	22326.9	21,731.00	2.74%
NIFTY 500	20255.15	19429	4.25%

Power Ideas Performance Snapshot

XIRR Return %*

32.8%

Power Ideas

43.1%

Nifty Midcap

24.4%

Nifty

31.9%

NSE 500

175+

Number of reports generated in FY24

4 out of a total of 6 sets

Number of Power Ideas outperforming benchmark as on March 31, 2024

38 (across 16 clients)

Corporate roadshows (physical + virtual) conducted in FY24

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

ASSET MANAGEMENT (AIF)

We strive to deliver high value driven investment services with a competitive fee structure and backed by our sponsors in line with our investor's long-term goals, generating superior returns. We have achieved an industry-first by solely raising funds through our relationships (MNCL CCF in October 2020 and MNCL CCF – 1 in August 2022).

Key Takeaways

- **Prioritising long position for listed companies with a solid track record**
- **High-quality business performance with robust growth potential**
- **Transparent governance**
- **Clear growth visibility over medium term and favourable valuations**
- **Emphasis on incremental capital employed (I-ROCE) Vs. their past ROCE**
- **Strategic focus on free cash flows and free cash flow yields**

Key FY24 Highlights

- Income from funds management increased from ₹ 2.18 cr in FY23 to ₹ 9 cr in FY24, despite the MNCL CCF pre-closure in May 2023
- Launched MNCL CCF-1, our second scheme of the Alternative Investment Fund (AIF), raising ₹ 252 cr, marking a 3.5x increase over the first fund MNCL CCF raised in October 2020
- MNCL CCF, pre-closed, delivered a solid ~23% CAGR return to investors, reflecting customer trust and satisfaction
- Our customer-centricity was further validated by a significant number of repeat investors in our subsequent fund, MNCL CCF 2, which closed in April 2024. We also saw a ~3x increase in funds raised compared to MNCL CCF-1
- Despite the super-exuberant markets in FY24 posing significant challenges for fund management, we achieved commendable performance



INVESTMENT BANKING

Our investment banking division primarily focusses on identifying businesses that generate stable returns and cash flows alongside visibility for enhancing shareholder's wealth. This strategic focus and years of building sound relationships with companies have led to the robust growth of this business vertical. In just a few years, our investment banking segment has reached a critical mass and achieved self-sustainability through quantum deals, vying for the next leap through effective deal closures.

Key Takeaways

- **Optimising value via strategic positioning**
- **Streamlined and effective processes**
- **Extensive product expertise and execution capabilities**
- **Robust connections with PE, domestic institutional investors and family offices**
- **Established partnerships with leading domestic and global clients**
- **Deep-rooted industry insight**

Key FY24 Highlights

- FY24 marked a milestone year for our Investment Banking division, achieving significant growth across key performance metrics
- The division achieved its highest-ever revenue in FY24 at ₹ 43.9 cr, marking a 138.5% Y-o-Y increase from ₹ 18.4 cr achieved in FY23
- We spearhead the successful closure of major financial transactions, including
 - ₹ 3,500 mn QIP of HFCL Limited
 - ₹ 5,450 mn IPO of IRM Energy Limited (IRM)
 - ₹ 5,000 mn IPO (inclusive of ₹ 700 mn Pre-IPO round) of Exicom Tele-Systems Limited (Exicom)
 - Both IRM and Exicom attracted significant investor interest, with subscription rates exceeding 27x and 133x, respectively
- Our team executed several Block/Bulk Deals, navigating complex challenges with expertise drawn from strong domain knowledge, execution capabilities and market insights

138.5%

Y-o-Y increase in Investment Banking revenue in FY24

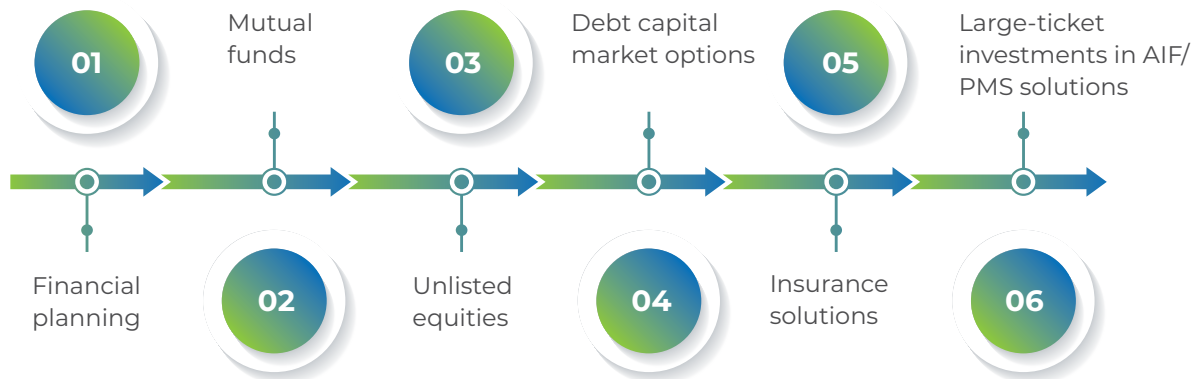
OUR INVESTMENT BANKING DIVISION ACHIEVED SIGNIFICANT GROWTH IN FY24 ACROSS ALL KEY PERFORMANCE INDICATORS, INCLUDING REVENUE, PROFITABILITY AND DEAL VOLUME.



WEALTH MANAGEMENT AND THIRD-PARTY PRODUCTS DISTRIBUTION

We offer a comprehensive range of financial products through our Wealth and Third-Party Products Distribution division, serving as a one-stop destination to meet diverse investment needs.

Key Offerings



DEBT CAPITAL MARKETS

Fixed income offers stability and predictable returns, particularly in turbulent times. However, the broader acceptance of the Indian fixed income market among retail investors, akin to equity investors, is yet to gain prominence. Transparency issues and a lack of awareness, with transactions mainly conducted bilaterally, have limited market development in the segment beyond Bank/PO deposits.

To enhance investor accessibility to debt markets, we offer end-to-end services that include debt issuance and tailored investor distribution, while ensuring transparency across all transactions. Additionally, our deep market expertise, thorough research and robust distribution and structuring competencies capabilities strive to assist clients in achieving their strategic investment goals with prudence, excellence, and utmost faith.



Board of Directors

CHARTING NEW PATHS WITH STRATEGIC LEADERSHIP

Under experienced leadership, we steadfastly adhere to industry best practices and corporate governance principles, emerging as a client-focussed, result-driven entity driving sustainable growth while preparing for our next quantum leap.



MR. VAIBHAV J SHAH

Managing Director



Vaibhav Shah, holding 30+ years of financial market expertise is the co-founder of the Monarch Group (now merged with Network Stock Broking Limited). Under his visionary leadership, the Group is propelling towards its next era of progressive growth.

His excellent leadership skills and steadfast commitment have earned the company several accolades. He has also played a pivotal role in expanding branch operations, media, and brand functions.

His sharp entrepreneurial acumen has helped identify and capitalise on new business opportunities, driving further expansion. Additionally, his strategic skills have helped foster enduring partnerships with clients, vendors, and external stakeholders. Furthermore, he inspires teams as a focussed sales player with a pragmatic approach.

His motivational management style has a proven track record of developing, leading and fostering high-performance teams driving accelerated growth, cost optimisation, superior service quality and improved bottom line.

As an esteemed speaker, he shares insights on market-related issues across diverse media platforms. His excellent communication skills aligning with team capabilities have helped the company achieve its broader goals and continual business excellence.



MS. MANJU BAFNA

Chairman & Whole time Director



Manju Bafna brings 27+ years of experience in Capital Markets and Administrative Affairs. She is a Mumbai University graduate holding a Bachelor of Science degree. She excels in organising, managing and supporting daily operational activities within an organisation. Adept at working both independently and collaboratively, she demonstrates expertise across varied fields such as including recruitment, human resource planning and management while contributing significantly to the Group's success and ongoing enrichment.



MR. CHETAN BOHRA

Independent Director



Chetan Bohra, holds 16+ years of experience, specialising in financial planning and arrangements within the real estate sector. He graduated with a B. Com degree from the University of Mumbai. He is also a Chartered Accountant, becoming an associate member of ICAI in June 2009. Previously, he was associated with the multinational consulting firm, BSR & Co. (KPMG) for a 3-year period.



MR. ASHOK BAFNA
Whole time Director

Ashok Bafna, holding 20+ years of broking service experience, oversees the company's business affairs. Aligning strategic thinking with organisational objectives, he strives to create financial strategies alongside analysing financial and accounting data. His profound understanding of the capital market enables him to effectively manage administrative and compliance affairs as well as investment and risk management activities. He plays a crucial role in supervising cash management and executing capital-raising strategies for undertaking the Group's expansion plans.



MR. SATHISH KUMAR
Independent Director



Sathish Kumar brings with him nearly 12 years of finance experience and possesses substantial capital market expertise. He obtained his Masters in International Business from Bharathiyar University, Coimbatore in 2005.



MR. GAURAV BHANDARI
Chief Executive Officer

Gaurav Bhandari holds 16+ years of extensive experience in financial markets. A commerce graduate, he has completed his Executive Business Management from IIM Calcutta. He has dynamic relationship management skills and a profound understanding of various businesses.



MS. AVNI CHOUHAN
Independent Director

Avni Chouhan is a qualified Company Secretary, securing 23rd rank in the All India Rank holder in Company Secretary Professional Examinations. With 8+ years of industry experience, she specialises in various secretarial, legal, accounting and other allied matters.

Scaling the business to new heights, he heads the company's retail broking, institutional equities, investment banking, fund management, wealth & third-party distribution and debt capital market businesses. The company has undertaken significant transactions of diverse scale under his strong leadership and business acumen. Previously, he has held strategic positions at Centrum Broking and ICICI Securities, among others.

LEGEND

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee

- Chairman
- Member

CORPORATE INFORMATION

AUDIT COMMITTEE

- Mr. Chetan Bohra - Chairman
- Mr. Vaibhav Shah - Member
- Mr. Sathish Kumar Pazhamalai - Member

NOMINATION AND REMUNERATION COMMITTEE

- Mr. Chetan Bohra - Chairman
- Ms. Manju Bafna - Member
- Mr. Sathish Kumar Pazhamalai - Member

STAKEHOLDER RELATIONSHIP COMMITTEE

- Mr. Chetan Bohra - Chairman
- Mr. Vaibhav Shah - Member
- Mr. Sathish Kumar Pazhamalai - Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- Mr. Vaibhav Shah - Chairman
- Ms. Manju Bafna - Member
- Mr. Chetan Bohra - Member

MONARCH NETWORK CAPITAL LIMITED

CIN: L65920GJ1993PLC120014

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

Tel.: 079-26666500/079-66000500,

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

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the members of Monarch Network Capital Limited will be held on Friday, the 20th day of September, 2024 at 12:30 P.M at Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasán Por Road, Kudasán, Gandhinagar - 382421, Gujarat to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 together with the Report of the Auditors thereon.
3. To declare Final Dividend of ₹ 1/- per Equity Shares for the Financial Year ended 31st March, 2024.
4. To appoint a Director in place of Mrs. Manju Bafna (DIN: 01459885), Whole -Time Director, who retires by rotation and being eligible offers herself for re-appointment.
5. To appoint statutory auditors and fix their remuneration.

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. M S K A & Associates, Chartered Accountants (ICAI firm Registration Number: 105047W), be appointed as statutory auditors of the Company,

in place of retiring auditors M/s. Parekh Shah & Lodha, Chartered Accountants (Firm Registration No. 107487W), to hold office from the conclusion of this 31st AGM until the conclusion of the 36th AGM, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS

6. **Approval for modification in overall borrowing limits of the company as per Section 180 (1)(c) of the Companies Act, 2013:**

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

“RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company in Annual General meeting held on December 31, 2014 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company and subject to such approvals, sanctions and consents hereinafter referred to as the **“Approvals”**) as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall be deemed to include any Committee(s) constituted/to be Constituted by the Board to exercise its powers including powers conferred by this resolution and/or by duly authorized persons for the time being exercising the powers conferred on the Board by this resolution), consent of the members

of the Company be and is hereby accorded to the Board to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed or to be borrowed (apart from temporary loans and other credit facilities viz cash credit, bank guarantees, letter of credit and bank overdraft etc. obtained or to be obtained from the Company's bankers in the ordinary course of its business), whether secured or unsecured, will or may exceed the aggregate of the paid up capital and free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of monies so borrowed and outstanding at any one time shall not exceed the sum of ₹ 500 Crores (Rupees Five Hundred Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

7. **Approval for modification in limits under section 180 (1)(a) of the Companies Act, 2013 for creating charge on the assets of the company:**

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

"RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company in Annual General meeting held on December 31, 2014 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**) read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **"the Board"**) which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers

including powers conferred by this resolution and/or by duly authorized persons for the time being exercising the powers conferred on the Board by this resolution) to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan (excluding credit facilities viz cash credit, bank guarantees, letter of credit and bank overdraft etc.) obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company or to create charge to secure any loan taken by other entities/bodies corporate, on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time so secured/ mortgaged shall not exceed the limit as approved under Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lending Agencies / trustees, the documents for creating the aforesaid security interests and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

8. **Approval of limits for the Loans, Guarantees and Investment by the Company as per Section 186 of the Companies Act, 2013**

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

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (**"Act"**) read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to the necessary approvals, consents, sanctions and permissions of appropriate authorities, as may be necessary, consent of the members of the Company be and

is hereby accorded to the Board of Directors of the Company to invest/acquire the securities of anybody corporate by way of subscription / purchase or otherwise, which may or may not be subsidiary(ies) of the Company from time to time in one or more tranches as the Board may think fit or provide loans or give guarantees to the extent of ₹ 300 Crores (Rupees Three Hundred Crores only) which shall be in excess of and in addition to the threshold limit as prescribed under Section 186(2) of the Companies Act, 2013.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to negotiate and finalise the terms and conditions of such investments/ loans/guarantees and to take such other steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, if any, as may be required, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all agreements, deeds, applications, documents and writings that may be required and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental therewith.”

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

Nitesh Tanwar
Company Secretary &
Compliance Officer
M. No. FCS-10181

Place: Mumbai
Date: July 28, 2024

Registered Office:
Unit No. 803-804A, 8th Floor,
X-Change Plaza, Block No. 53,
Zone 5, Road-5E, Gift City,
Gandhinagar - 382355, Gujarat
Tel: +91 (+91) 22-4321 1800 /
(+91) 22-6202 1600,
CIN: L65920GJ1993PLC120014
Website: www.mnclgroup.com
Email: cs@mnclgroup.com

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning the special business to be transacted under item No. 6 to 8 as at Annual General Meeting (“**AGM**”) is annexed hereto.
2. Information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of the Directors seeking re-appointment at the AGM is provided hereunder as “**Annexure A**”.
3. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself, and that a proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten percent) of the total share capital of the company. A member holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other member.
4. A route map as required under SS-2 issued by ICSI, including a prominent landmark, showing directions to reach the AGM venue is annexed to this Notice.
5. Members are requested to intimate any changes, if any, pertaining to their name/ postal address/ email ids/ PAN/ mandates/nominations/ power of attorney/ Bank account details, etc. alongwith self- attested documentary proofs as under:
 - i. For shareholders holding shares in physical form, to Registrar and Share Transfer Agent (RTA) in prescribed forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, details of our RTA is as under:

Skyline Financial Services Private Limited
D- 153A, 1st Floor, Okhla Industrial Area,
Phase- I, New Delhi- 110020
Tel: 011-40450193-97 & 011-26812682-83
Email: admin@skylinerta.com/ info@skylinerta.com
Website: www.skylinerta.com

- ii. For shareholders holding shares in electronic form, directly to their Depository Participants (DPs).
 - iii. Forward all Share Transfers and other communications/ correspondence to the RTA.
 - iv. Always quote their Folio no. / Client ID no. in all their correspondence with the RTA.
 - v. Intimate RTA for consolidation of folios, in case having more than one folio for better services.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective PAN details to their respective Depository Participant with whom they have their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agent of the Company - M/s. Skyline Financial Services Private Limited.
 7. Non Resident Indian members are requested to inform the Company's RTA, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, IFSC and MICR Code, as applicable, if such details were not furnished earlier.
 8. To support the '**Green Initiative**', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
 9. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamp not been cancelled, will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such proxies shall be considered as invalid.
 10. Proxies to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
 11. The proxy-holder shall prove his identity at the time of attending the Meeting.
 12. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Companies Act, 2013, together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting to the Company.
 13. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to bring your folio number/demat account number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.
 14. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 15. Members are requested to bring their Original photo ID (like PAN Card, Aadhar Card, Voter Identity Card, etc, having photo identity) while attending the meeting.
 16. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
 17. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the directors are interested maintained under the Companies Act, 2013, will be available for inspection by the members at the AGM.
 18. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment)

- Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.
19. In case of any queries regarding the Annual Report, members may write to cs@mnclgroup.com; to receive an email response. Members desiring any information relating to the financial statements at the meeting are requested to write to us at least Ten (10) days before the meeting to enable us to keep the information ready.
 20. The Notice of 31st Annual General Meeting and instructions for e-voting, Attendance Slip and Proxy Form are being sent by electronic mode only to the members whose email address are registered with the Company/Depository Participant(s).
 21. The Notice calling the AGM has been uploaded on the website of the Company at www.mnclgroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. Further the same is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
 22. In compliance with the MCA Circulars and SEBI Circulars, the Notice of the 31st Annual General Meeting along with the Annual Report for the financial year 2023-24 is being sent only by electronic mode to those members whose email addresses are registered with the Company/RTA/Depositories. Members may note that the Notice of annual general meeting and Annual Report for the financial year 2023-24 will also be available on the Company's website www.mnclgroup.com and the websites of the Stock Exchanges i.e. on BSE Limited at www.bseindia.com and on NSE Limited at www.nseindia.com.
 23. Subject to the provisions of the Act, dividend as recommended by the Board, if approved by the members at the Annual General Meeting will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as at the end of business hours on Friday, August 2, 2024.
 24. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
 25. Members holding shares in physical/electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.
 26. Members may note that the Income-tax Act, 1961, ("**the IT Act**") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("**TDS**") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.
- For resident shareholders,** taxes shall be deducted at source under Section 194 of the IT Act as follows:
- | | |
|---|---|
| Members having valid Permanent Account Number ("PAN") | 10% or as notified by the Government of India |
| Members not having PAN / valid PAN | 20% or as notified by the Government of India |
- However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during fiscal 2024 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.
- For non-resident shareholders,** taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus

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

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

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

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

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

held in physical form, with RTA, on or before the date of Annual General Meeting. Please note that the following information & details, if already registered with the RTA or Depositories, as the case may be, will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions. Shareholders can also raise any query/ send the scanned copies of the documents mentioned above at info@skylinerta.com/ admin@skylinerta.com.

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

Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 along with requisite fees. Further detailed information for the same are also available on www.iepf.gov.in.

27. E-Voting process:

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 31st Annual General Meeting to be held on Friday, 20th September, 2024. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide

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

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 13th September, 2024, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

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

Members may cast their votes on electronic voting system from any place (remote e-voting). The voting period begins on Tuesday, 17th September, 2024 at 09.00 a.m. and ends on Thursday, 19th September, 2024 at 05.00 p.m. (preceding the date of AGM). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 13th September, 2024 i.e. cutoff date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.

The facility for voting through polling paper shall be made available at the venue of the Meeting

and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting. The members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two working days of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

The results declared along with Scrutinizers’ Report will be placed on the Company’s website www.mnclgroup.com within two working days of the passing of the resolutions at the 31st AGM of the Company and shall be immediately communicated to BSE & NSE, where the shares of the Company are listed.

INSTRUCTIONS FOR E-VOTING:

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


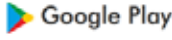


The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p>   </p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

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

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

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Your User ID is:

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your '**initial password**'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your '**initial password**'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
 6. If you are unable to retrieve or have not received the "**Initial password**" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "**Terms and Conditions**" by selecting on the check box.
 8. Now, you will have to click on "**Login**" button.
 9. After you click on the "**Login**" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically on NSDL e-Voting system.**
- How to cast your vote electronically on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
 3. Now you are ready for e-Voting as the Voting page opens.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vkmassociates@yahoo.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of

Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card),

AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

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

The following Statement sets out all material facts relating to the business mentioned under Item Nos. 6 to 8 in the Notice:

Item No. 6

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 (the "Rules") (as amended from time to time), the Board of Directors have the powers to borrow money, where the money to be borrowed, together with the money already borrowed by the company could exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business provided a consent by way of Special Resolution by the Shareholders of the Company has been obtained.

Keeping in view the future plans of the Company and to fulfil long term strategic and business objectives and as a measure of achieving greater financial flexibility and to enable optimal financing structure, the Board of Directors in its meeting held on May 24, 2024 has, subject to the approval of shareholders of the Company, proposed and approved for seeking the shareholder approval for giving authorization to board of directors under section 180(1)(c) of the Companies Act, 2013 upto an aggregate limit of ₹ 500 crores (Five Hundred Crores) (apart from temporary loans and other credit facilities viz cash credit, bank guarantees, letter of credit and bank overdraft etc. obtained or to be obtained from the Company's bankers in the ordinary course of its business).

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above-mentioned resolution except to the extent of their directorships and shareholding in the Company (if any).

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 6 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the shareholders of the Company as a Special Resolution.

Item No. 7:

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 (the "Rules") (as amended from time to time), the Board of Directors have the powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings; provided a consent by way of Special Resolution by the Shareholders of the Company has been obtained.

In order to secure the borrowings/financial assistance, the Company may be required to create security by way of mortgage/ charge and/or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company or such other related conditions as the Board of Directors and the lenders may approve mutually from time to time.

Since creation of charge by way of mortgage/ hypothecation/floating charge on the movable and/or immovable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be a sale/lease/disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, it is proposed to seek approval of the shareholders for approving the limits under the said Section.

Keeping in view the future plans of the Company and to fulfil long term strategic and business objectives and as a measure of achieving greater financial flexibility and to enable optimal financing structure, the Board of Directors in its meeting held on May 24, 2024 has, subject to the approval of shareholders of the Company, proposed and approved for seeking the shareholder approval for setting up limit upto an aggregate limit of ₹ 500 crores (Five Hundred Crores) under Section 180(1)(a) of the Companies Act, 2013 due to the sanction of limits under Section 180(1)(c) of the Companies act, 2013.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above-mentioned resolution except to the extent of their directorships and shareholding in the Company (if any).

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 7 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the shareholders of the Company as a Special Resolution.

Item No. 8:

As part of requirement under various Contracts of the company and also to achieve long term strategic and business objectives, Company proposes to invest in other bodies corporate or grant loans, give corporate guarantees or provide securities to other persons or other body corporate as and when required. Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account, whichever is higher.

Accordingly, the Board of Directors of the Company proposes to seek approval of shareholders by way of special resolution to authorize the Board to exercise powers for an amount not exceeding ₹ 300 crore (Rupees Three Hundred Crore Only) outstanding at

any time not withstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

None of the Directors/ Key Managerial Personnel of the company/ their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No 8 of the notice.

The Directors recommend the resolution for approval by the members.

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

Nitesh Tanwar
Company Secretary &
Compliance Officer
M. No. FCS-10181

Place: Mumbai
Date: July 28, 2024

Registered Office:

Unit No. 803-804A, 8th Floor,
X-Change Plaza, Block No. 53,
Zone 5, Road-5E, Gift City,
Gandhinagar - 382355, Gujarat
Tel: +91 (+91) 22-4321 1800 /
(+91) 22-6202 1600,
CIN: L65920GJ1993PLC120014
Website: www.mnclgroup.com
Email: cs@mnclgroup.com

ANNEXURE A

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

Name of the Director	Mrs. Manju Bafna
DIN	01459885
Date of Birth	15 th January, 1963
Nationality	Indian
Qualifications	B. Sc.
Designation	Whole Time Director
Experience/Expertise	30 Years of Experience in Administration & Capital Market
Date of First appointment to the Board Meeting	13 th February, 2015
Number of meeting attended of board in last financial year	8
Terms & Condition for re-appointment	Terms & Condition for re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the website of the Company.
Remuneration last drawn	₹ 21,37,980/- p.a.
Shareholding in the Company (Equity shares of ₹ 10/- each)	15,62,557 (4.61%)
Directorship held in other listed companies along with Directorship held from which the person has resigned in the past three years (As on March 31, 2024)	Nil
Memberships/Chairmanships of committees of other companies	NA
Relationship with existing Directors of the Company	None

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

Nitesh Tanwar

Company Secretary & Compliance Officer
M. No. FCS-10181

Place: Mumbai
Date: July 28, 2024

Registered Office:

Unit No. 803-804A, 8th Floor,
X-Change Plaza, Block No. 53, Zone 5,
Road-5E, Gift City,
Gandhinagar - 382355, Gujarat
Tel: +91 (+91) 22-4321 1800 /
(+91) 22-6202 1600,
CIN: L65920GJ1993PLC120014
Website: www.mnclgroup.com
Email: cs@mnclgroup.com

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present their Thirty-first Report together with the audited financial statements of your Company for the Financial Year ended 31st March, 2024 ("FY2024").

1. FINANCIAL PERFORMANCE AND OPERATIONAL HIGHLIGHTS

The Company's standalone and consolidated financial performance for the year ended 31st March, 2024 is summarized below.

(₹ in Lakhs)

Particulars	Standalone Year Ended		Consolidated Year Ended	
	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023
Revenue & other Income	27,179.90	15,127.40	27,899.67	16,201.13
Profit before Tax	15,514.59	4,720.45	16,407.29	5,792.53
Tax Expenses:				
Taxes for earlier years	47.48	17.87	51.69	8.4
Current Tax	3,808.90	1210.62	4,035.85	1,479.46
Deferred tax	6.82	8.16	7.01	7.43
Profit After Tax	11,651.39	3,483.81	12,314.97	4,297.24
Minority Interest	-	-	-	-
Share of Profit/(Loss) from Associates	-	-	-	(0.07)
Net profit for the year	11,651.39	3,483.81	12,314.97	4,297.16
Other comprehensive (loss)/ income for the year	-14.92	-432.94	-14.92	-432.94
Total comprehensive income for the year	11,636.47	3,050.87	12,300.05	3,864.22
EPS:				
- Basic	34.40	10.29	36.36	12.69
- Diluted	34.40	10.29	36.36	12.69

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023
a) Broking and Related Services				
1) Fees and commission income	12,792.00	7,986.00	12,792.00	7,986.00
2) Interest Income	7,198.84	4,515.52	7,198.84	4,515.52
3) Merchant Banking & Other Services	4,386.43	1,844.90	4,386.43	1,844.90
4) Asset Management Services	899.49	217.88	899.49	217.88
5) Others (Un-allocated)	1,903.14	563.07	1,903.10	565.88
b) Non-Banking financial business	-	-	825.91	1,095.27
c) Insurance business	-	-	168.26	133.04
TOTAL	27,179.90	15,127.37	28,174.03	16,358.49

The standalone and consolidated financial statements for the financial year ended 31st March, 2024 have been prepared in accordance with Section 133 of the Companies Act, 2013 (the “Act”) read with the rules made thereunder and in accordance with the Indian Accounting Standards (“Ind AS”).

ii. Key highlights of Standalone Financial Performance

- Gross income reported by the Company was ₹ 27,179.90 Lakhs for the year ended 31st March, 2024 as against ₹ 15,127.40 Lakhs in the previous year, registering an increase of 79.67%;
- Profit before tax for the year increased by 228.67% to ₹ 15,514.59 Lakhs as compared to ₹ 4,720.45 Lakhs in the financial year 2022-23; and
- Profit after tax of the Company was ₹ 11,651.39 Lakhs for the year ended 31st March, 2024 as compared to profit after tax of ₹ 3,483.81 Lakhs in the previous year, registering an increase of 234.44%.

iii. Key highlights of Consolidated Financial Performance

- Gross income increased by 72.20% to ₹ 27,899.67 Lakhs as compared to ₹ 16,201.13 Lakhs in the financial year 2022-23;
- Profit before tax for the year increased by 183.25% to ₹ 16,407.29 Lakhs as compared to ₹ 5,792.53 Lakhs in the financial year 2022-23; and
- Profit after tax (post share of profit/loss from Associates) for the year increased by 186.58% to ₹ 12,314.97 Lakhs as compared to ₹ 4,297.16 Lakhs in the financial year 2022-23.

2. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has 3 (“Three”) Subsidiary Companies as on 31st March, 2024. The Company does not have any Joint Venture.

During the year, the Board of Directors (‘the Board’) reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company which form part of the Annual Report.

Further, a report on the performance and financial position of each of the Company’s subsidiaries for the financial year ended March 31, 2024 in **Form AOC-1** is attached and marked as “**Annexure – I**” and forms part of this report.

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

Further in accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on the Company’s website i.e. <https://www.mnclgroup.com/investor-relation/investor-relation-financials-annual-reports>. These documents will also be available for inspection at the registered office of the Company and of the subsidiary companies during business hours on all working days and during the Annual General Meeting.

3. JOINT VENTURES, ACQUISITIONS AND OTHER MATTERS

i. Divestment of stake in Subsidiaries Companies

Sale of Stake by Monarch Network Capital Limited (“MNCL”) in Monarch Network Money Changer Private Limited, a subsidiary of MNCL

During the year, Monarch Network Capital Limited (“MNCL”) has sold its entire stake aggregating 100% of the Paid-up Equity Share Capital in Monarch Network Money Changer Private Limited, a subsidiary of MNCL, to Premjayanti Enterprises Private Limited. Following the completion of aforesaid sale, Monarch Network Money Changer Private Limited ceased to be a subsidiary of MNCL and consequently that of the Company.

ii. Divestment of stake in Associate Companies

Sale of Stake by Monarch Network Capital Limited (“MNCL”) in Network Financial Services Limited, an associate of MNCL

During the year, Monarch Network Capital Limited (“MNCL”) has sold its entire stake aggregating 45.32% of the Paid-up Equity

Share Capital in Network Financial Services Limited, an associate of MNCL, to Premjayanti Enterprises Private Limited. Following the completion of aforesaid sale, Network Financial Services Limited ceased to be an associate of MNCL and consequently that of the Company.

4. STATE OF COMPANY'S AFFAIRS

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis report.

5. SHARE CAPITAL

As on March 31, 2024, the paid up equity share capital of the company was ₹ 33,86,95,180/- i.e. 3,38,69,518 equity shares of ₹ 10/- each.

There was no change in the issued, subscribed and paid-up share capital during the year under review.

6. STOCK EXCHANGE

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

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

7. TRANSFER TO GENERAL RESERVES

During the financial year, there was no amount proposed to be transferred to the general reserve on a standalone basis.

8. DIVIDEND

Considering good performance and strong cash flows, your Directors are pleased to recommend Final Dividend of ₹ 1/- per Equity Share (i.e. 10% of the Face Value) for the financial year 2023-24 subject to approval of the Members at the ensuing Annual General Meeting ("**AGM**").

The Company has not paid any Interim Dividend during the financial year under review.

Unclaimed Dividend

Regarding unclaimed dividends, as of March 31, 2024, a negligible ₹ 7.26 Lacs remains uncollected in our Unpaid Dividend Accounts. In an effort to ensure transparency and facilitate the claim process, we have published a detailed statement

on our website (<https://www.mnclgroup.com/investor-relation/investor-relation-dividend>) listing names, depository participant IDs, client IDs, shareholdings, and unclaimed amounts for affected shareholders.

9. EMPLOYEE STOCK OPTION SCHEME

MNCL Employees Stock Options Scheme 2021 ("**the Scheme**") is administered by Monarch Network Capital Limited Employees Welfare Trust (**ESOP Trust**) under the instructions and supervision of Nomination and Remuneration Committee ("**NRC**") of the Company.

The Scheme is implemented through a trust route in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI Regulations**") with an objective:

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

During the year review, no material change in the Company's existing ESOP scheme and the scheme is in compliance with SEBI Regulations.

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

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

10. ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return in **Form No. MGT-7**, is available on the Company's website and can be accessed at the web link <https://www.mnclgroup.com/investor-relation/investor-relation-financials-annual-reports>.

11. BOARD & ITS COMMITTEES

i. Board

The Board of the Company comprises of 6 ("Six") Directors as on March 31, 2024, the details are as below:

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

ii. Committees constituted by the Board of Directors

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

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

The Board Committees are in compliance with the requirements of the relevant provisions of applicable laws and statutes. The details of all the Committees along with their charters, composition and meetings held during the year, are provided in the Report on Corporate Governance, which forms part of this Annual Report.

iii. Key Managerial Personnel ("KMP")

As of the date of this report, the Key Managerial Personnel of the Company, in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act 2013, include Mr. Gaurav Bhandari, serving as Chief Executive Officer and Mr. Nitesh Tanwar as Company Secretary & Compliance Officer.

iv. Change In Director's and Key Managerial Personnel ("KMP")

There was no change in composition of Board of Directors. However, below changes took place in Directors and Managerial Personnel's of the company during the year under review:

- Mr. Vaibhav Shah, Managing Director of the Company was re-appointed for further period of 5 years with effect from 1st December, 2023.
- Mrs. Hetvi Gandhi, Chief Financial Officer of the Company resigned w.e.f. closing hours of 25th May, 2023;
- Mrs. Rupali Verma, Company Secretary and Compliance officer of the company resigned w.e.f. closing hours of 16th February, 2024; and
- Mr. Nitesh Tanwar, was appointed as Company Secretary and Compliance officer of the company w.e.f. 12th March, 2024.

v. Directors Retiring by Rotation

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

Mrs. Manju Suresh Bafna, Whole –Time Director retire by rotation and being eligible, offer themselves for re-appointment at the ensuing 31st Annual General Meeting of the Company.

The Board recommends re-appointment of the above Directors.

Additional Information on directors recommended for re-appointment as required under Regulation 36 (3) of the SEBI (Listing and Obligation Disclosure

Requirements) Regulations 2015 at ensuing Annual General Meeting is given in the Notice convening 31st Annual General Meeting.

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

vi. Meetings of Board and its committees

Throughout the reviewed fiscal year, the Board, its Committees, and the Independent Directors convened on multiple occasions. These meetings focused on strategic discussions, decision-making, and directives regarding various aspects of the Company's business operations and related matters, ensuring robust governance and adherence to our strategic objectives.

Sr. No.	Body	Numbers of times met during the year	Dates
1	Board	8	11 th May 2023, 25 th May 2023, 12 th June 2023, 28 th July, 2023, 23 rd August 2023, 27 th October, 2023, 22 nd January, 2024 and 12 th March, 2024
2	Audit Committee	6	11 th May 2023, 25 th May 2023, 28 th July 2023, 23 rd August 2023, 27 th October 2023 and 22 nd January, 2024
3	CSR Committee	1	20 th October 2023
4	Nomination and Remuneration Committee	2	23 rd August 2023 and 12 th March, 2023
5	Stakeholders Relationship Committee	3	25 th May 2023, 28 th July 2023 and 23 rd August 2023

The frequency and number of the aforementioned Board and committee meetings are in strict compliance with the applicable provisions of the Companies Act, 2013. A comprehensive disclosure regarding the Board, its committees, their composition, and terms of reference, along with the number of board and committee meetings held and the attendance of directors at each meeting, is meticulously detailed in the Report on Corporate Governance. This report is an integral part of the main document, underscoring our commitment to transparency and governance.

vii. Annual General Meeting/Extra-Ordinary General Meetings

Last year, the Company conducted its Annual General Meeting on September 22, 2023.

viii. Independent Directors' Review Meeting

A separate meeting of the Independent Directors was convened to assess the performance of Non-Independent Directors and the effectiveness of the Board and its committees collectively. During this session, a comprehensive questionnaire designed to probe various aspects of Board operations was distributed among the Directors. The

evaluation criteria for Independent Directors encompassed their level of engagement in meetings, interpersonal skills, understanding of the business and its subsidiaries, capacity for independent judgment, expertise, and adherence to the compliance framework.

ix. Declaration by Independent Directors under Sub-Section (6) of Section 149

All independent directors of the Company have submitted the requisite declarations confirming their ongoing compliance with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015. Furthermore, they have affirmed their adherence to the Code of Conduct outlined in Schedule IV of the Act.

These declarations include confirmations that they are not barred from holding the office of director by any SEBI order or any other authoritative body and have maintained their registration with the database of the Indian Institute of Corporate Affairs (IICA). The Board, based on thorough evaluation, is of the opinion that all independent directors consistently demonstrate integrity, expertise, and experience, significantly contributing to the governance of the Company.

Additionally, all directors of the Company have confirmed that there are no disqualifications against them for appointment as directors, in accordance with Section 164 of the Companies Act, 2013.

x. Board Evaluation

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

The Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The Board has devised questionnaire to evaluate the performances of each of executive, non-executive and Independent Directors. Such questions are prepared considering the business of the

Company and the expectations that the Board have from each of the Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- a. Attendance of Board Meetings and Board Committee Meetings;
- b. Quality of contribution to Board deliberations;
- c. Strategic perspectives or inputs regarding future growth of Company and its performance;
- d. Providing perspectives and feedback going beyond information provided by the management.
- e. Ability to contribute to and monitor our corporate governance practices

xi. Evaluation Outcomes and Board Feedback

The responses to the questionnaire were carefully analyzed, and a consolidated report was prepared and presented to the Nomination and Remuneration Committee and the Board. This report aims to enhance the Board's effectiveness based on the feedback received. The Directors have expressed their satisfaction with the thoroughness of the evaluation process, affirming its role in reinforcing the Board's overall governance and operational efficiency.

xii. Familiarisation Programme for Independent Directors / Non-Executive Directors

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

The induction process is designed to:

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

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

12. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013 and according to the information and explanations received by the Board, your Directors state that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. PARTICULARS OF REMUNERATION

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

14. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy

of the Company indicating the activities to be undertaken by the Company which has been approved by the Board. The CSR Policy may be accessed on the Company's website at <https://www.mnclgroup.com/investorrelation/investor-relation-policy>.

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

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has in place a robust process for approval of Related Party Transactions and on Dealing with Related Parties.

All contracts/arrangements/transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis.

Omnibus approval of Audit Committee is obtained for Related Party Transactions which are of repetitive nature, which are reviewed on quarterly basis by the Audit Committee as per Regulation 23 of the Listing Regulations and Section 177 of the Companies Act, 2013.

All Related Party Transactions and subsequent material modifications, if any, were placed before the Audit Committee for review and approval. Necessary details for each of the Related Party Transactions as applicable along with the justification are provided to the Audit Committee in terms of the Company's Policy on Materiality

of and Dealing with Related Party Transactions and as required under SEBI Circular dated 22nd November 2021.

The Company has not entered into Material Related Party Transactions as per the provisions of the Companies Act, 2013.

In accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the Listing Regulations**”), the ‘**Policy on Related Party Transactions**’, as updated is available on the Company’s website: <https://www.mnclgroup.com/investor-relation/investor-relation-policy>.

18. INTERNAL FINANCIAL CONTROLS

The Corporate Governance Policies guide the conduct of affairs of your Company and clearly delineate the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance. The Code of Conduct for Senior Management and Employees of your Company (the Code of Conduct) commits Management to financial and accounting policies, systems and processes. The Corporate Governance Policies and the Code of Conduct stand widely communicated across your Company at all times. The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

19. AUDITORS

i. Statutory Auditors and their Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. Parekh Shah and Lodha, Chartered Accountants (Firm Registration No. 107487W), Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting.

The notes to the financial statements referred in the Auditor Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditor’s Report is enclosed with the financial statements in this Annual Report.

ii. Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Vijay Kumar Mishra, Partner, VKM & Associates, Practising Company Secretary (Certificate of Practice Number: 4279) to undertake the Secretarial Audit of the Company.

The Company has annexed to this Board’s Report as “**Annexure IV**”, a Secretarial Audit Report for the Financial Year 2023-24 given by the Secretarial Auditor in **Form MR-3**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

iii. Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2023-24 for all applicable compliances as per SEBI Regulations and Circulars / Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Mr. Vijay Kumar Mishra, Partner, VKM & Associates has been submitted to the Stock Exchanges and is annexed in Form MR-3 for the financial year ended 31st March, 2024 is enclosed as “**Annexure - V**” to this Report.

iv. Secretarial Audit of Material Unlisted Indian Subsidiary

There is no Material Unlisted Indian Subsidiary of the Company as on 31st March, 2024 and as such the requirement under Regulation 24A of the Listing Regulations regarding the Secretarial Audit of Material Unlisted Indian Subsidiary is not applicable to the Company for the Financial Year 2023-24.

v. Internal Auditor

The Company has re-appointed M/S. Rushil Soni & Co., Chartered Accountants, Ahmedabad as its Internal Auditor vide Board Meeting dated 25th May, 2023. The Internal Auditor has given his reports on quarterly basis to the Audit Committee for the F.Y. 2023-2024.

Based on the report of internal audit, management undertakes corrective action in the respective areas and strengthens the levels of Internal Financial and other operational controls.

vi. Cost Records

The maintenance of cost records as specified under Section 148 of the Act is not applicable to the Company.

vii. Reporting of Frauds by Auditors

During the year under review, the Statutory Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

viii. Board's comments on the Auditors Report

The observations of the Statutory Auditors/secretarial auditor/Internal auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

20. PUBLIC DEPOSITS

Throughout the fiscal year under review, the Company has neither invited nor accepted any deposits from the public, in accordance with Section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014.

21. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors confirms that Monarch Network Capital Limited has adhered to all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India. This affirmation reflects the Company's commitment to maintaining the highest standards of corporate governance.

22. BUSINESS RESPONSIBILITY AND SUSTAINABILITY

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations 2015, the Business Responsibility and Sustainability Report (BRSR) detailing the initiatives undertaken by the Company is included as a part of this Annual Report. Consistent with the mandates of the SEBI Listing

Regulations, 2015, this report is also available on the Company's website for broader access. Stakeholders interested in understanding our commitment to sustainable business practices and corporate responsibility can view the BRSR at <https://www.mnclgroup.com/investor-relation/investor-relation-announcements>.

This accessibility ensures transparency and provides insights into how our operations align with broader environmental and social goals.

23. CORPORATE GOVERNANCE REPORT

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

24. REMUNERATION POLICY

Pursuant to provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing and Obligation Disclosure Requirements) Regulations 2015 and on the recommendation of the Nomination and Remuneration Committee, the Board has adopted a Policy on criteria for appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The same is also hosted on the website of the Company - <https://www.mnclgroup.com/investor-relation/investor-relation-policy>.

25. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Vigil mechanism / Whistle blower Policy to deal with instance of fraud and mismanagement, if any. The Company had established a mechanism for directors and employees to report concerns about

unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The details of the Vigil mechanism Policy is explained in the report of Corporate Governance and also posted on the website of the Company at <https://www.mnclgroup.com/investor-relation/investor-relation-policy>. We affirm that during the financial year 2023-24, no employee or director was denied access to the Audit Committee.

26. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

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

Your Directors further state that during the fiscal year 2023-24, there were no complaints received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is reported pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a) Number of complaints filed during the financial year: Nil
- b) Number of complaints disposed of during the financial year: Nil
- c) Number of complaints pending as on end of the financial year: Nil

27. POLICIES

The details of the Key Policies adopted by your Company are available on website of the Company on web link <https://www.mnclgroup.com/investor-relation/investor-relation-policy>.

28. RISK MANAGEMENT

The Company has laid down a well-defined Risk Management Policy to identify the risk, analysis and to undertake risk mitigation actions. The Board of Directors regularly undertakes the detailed exercise for identification and steps to control them through a well-defined procedure.

29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3) (m) of the Companies act, 2013 read with Rule 8 of the Companies (accounts) rules, 2014, details regarding the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo for the year under review are as follows:

A) Conservation of Energy

- a. Steps taken or impact on conservation of energy - The Operations of the Company do not consume energy intensively. However, the Company continues to implement prudent practices for saving electricity and other energy resources in day-to-day activities.
- b. Steps taken by the Company for utilizing alternate sources of energy - Though the activities undertaken by the Company are not energy intensive, the Company shall explore alternative sources of energy, as and when the necessity arises.
- c. The capital investment on energy conservation equipment – Nil

B) Technology Absorption

- a. The efforts made towards technology absorption - The Company continues to take prudential measures in respect of technology absorption, adaptation and take innovative steps to use the scarce resources effectively.

- b. The benefits derived like product improvement, cost reduction, product development or import substitution- Not Applicable
- c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable
- d. The expenditure incurred on Research and Development - Not Applicable

C) The Particulars of Foreign Exchange Earning and Outgo for the year under review are as follows:

(Figures in INR)

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Foreign exchange earning	Nil	73,350.60
Foreign exchange Outgo	Nil	Nil

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

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2024 and till the date of the this report.

31. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)

There were no proceedings initiated / pending against your Company under the Insolvency and Bankruptcy Code, 2016.

32. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There was no significant or material order passed by any regulator or court or tribunal,

which impacts the going concern status of the Company or will have bearing on company's operations in future.

33. MAINTENANCE OF BOOKS OF ACCOUNTS OF COMPANY AT A PLACE OTHER THAN REGISTERED OFFICE OF THE COMPANY

In the fiscal year 2023-2024, Monarch Network Capital Limited has relocated the maintenance of its books of accounts from the registered office to a new location. Effective from February 02, 2024, the Company's books of accounts will be kept additionally at 901/902 9th Floor Atlanta Centre, Opp Udyog Bhavan Sonawala Road, Goregaon East, Mumbai, Goregaon East, Maharashtra, India, 400063. This strategic move is aimed at optimizing our accounting and administrative operations.

34. OTHER DISCLOSURES

Neither the Managing Director nor the Executive Director received any remuneration or commission from any of the subsidiaries of your Company.

The Board of Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions / events on these items during the year under review:

- i. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ii. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme save and except Employees Stock Option Schemes (ESOS) referred to in this Report.
- iii. Voting rights which are not directly exercised by the employees in respect of shares for the subscription / purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).
- iv. There has been no change in the nature of business of your Company.
- v. The Company has not made any one-time settlement for loans taken from the Banks

or Financial Institutions, and hence the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

- vi. There was no revision of financial statements and Board's Report of the Company during the year under review.

Place: Ahmedabad
Date: May 24, 2024

Vaibhav Shah
Managing Director
DIN: 00572666

Manju Bafna
Chairman cum Whole-Time Director
DIN: 01459885

35. ACKNOWLEDGEMENT:

Your Directors wish to place on record their gratitude and deep appreciation for the continued support and co-operation received by the Company from the shareholders, company's clients, suppliers, bankers, business partners/ associates, financial institutions and employees and look forward for their continued support in the future as well.

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

For and on behalf of the Board of Directors

Annexure – I

FORM AOC-1

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

PART A – SUBSIDIARY COMPANIES

Particulars	(INR. In lakhs)		
	Monarch Network Finserve Private Limited	Monarch Network Capital IFSC Private Limited	Monarch Network Investment Advisors Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2024	31.03.2024	31.03.2024
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees	Indian Rupees
Equity Share Capital	966.67	5.00	60.00
Reserves	2409.63	-3.70	291.36
Total Assets	3399.27	15.64	365.49
Total Liabilities	22.98	14.33	14.13
Investments (except in subsidiary companies)	0.00	0.00	0.00
Total Turnover	825.96	0.00	168.45
Profit/(Loss) before Taxation	753.29	-1.87	141.27
Provision for Taxation	196.94	0.00	32.18
Profit / (Loss) after Taxation	556.35	-1.87	109.09
Proposed Dividend	0.00	0.00	0.00
% of shareholding	100.00	99.99	99.98

- Names of subsidiary which are yet to commence operations : None
- Names of subsidiaries which have been liquidated or sold during the year: During the year, Monarch Network Capital Limited ("MNCL") has sold its entire stake aggregating 100% of the Paid-up Equity Share Capital in Monarch Network Money Changer Private Limited. consequently, the company ceased to be subsidiary company of MNCL.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: May 24, 2024

Vaibhav Shah
Managing Director
DIN: 00572666

Manju Bafna
Chairman cum Whole-Time Director
DIN: 01459885

PART B – ASSOCIATES AND JOINT VENTURES

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

(₹ In lakhs)

Particulars	
1. Latest audited Balance Sheet Date	-
2. Shares of Associate/Joint Ventures held by the company on the year end	-
a. No. of shares	-
b. Amount of Investment in Associates/Joint Venture	-
c. Extend of Holding %	-
3. Description of how there is significant influence	-
4. Reason why the associate/joint venture is not consolidated	-
5. Networth attributable to Shareholding as per latest audited Balance Sheet	-
6. Profit / Loss for the year	-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-
1. Names of associates which are yet to commence operations: None	
2. Names of associates/Joint Ventures which have been liquidated or sold during the year: During the year, Monarch Network Capital Limited ("MNCL") has sold its entire stake aggregating 45.32% of the Paid-up Equity Share Capital in Networth Financial Services Limited. Consequently, the company is ceased to be an associate of MNCL.	

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: May 24, 2024

Vaibhav Shah
Managing Director
DIN: 00572666

Manju Bafna
Chairman cum Whole-Time Director
DIN: 01459885

Annexure – II

DETAILS OF THE RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION

I. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :-

Sr. No.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. Vaibhav Shah	7:1
2	Mrs. Manju Bafna	5:1
3	Mr. Ashok Bafna	5.54:1
4	Mr. Chetan Bohra	NA
5	Mr. Sathish Kumar	NA
6	Ms. Avni Chouhan	NA

II. The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year

Sr. No.	Name of the Directors, KMP	% Increase over last F.Y.
1	Mr. Vaibhav Shah	0.00
2	Mrs. Manju Bafna	0.00
3	Mr. Ashok Bafna	0.00
4	Mr. Gaurav Bhandari	15.00%
5	Mrs. Hetvi Gandhi*	0.00
6	Ms. Rupali Verma*	0.00
7	Mr. Nitesh Tanwar*	0.00
I.	The percentage increase in the median remuneration of employees in the financial year	2.72%
II.	The number of permanent employees on the payroll of the Company	395

III. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. The average increase in the remuneration of other employees is 9%

IV. Statement Pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Attached as Annexure "i"

**Not Considered as the key managerial personnel were appointed or resigned during the reporting period.*

We hereby confirm that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the Company.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: May 24, 2024

Vaibhav Shah
Managing Director
DIN: 00572666

Manju Bafna
Chairman cum Whole-Time Director
DIN: 01459885

ANNEXURE "I"

Statement Pursuant To Rule 5(2) & (3) Of Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details of all the top 10 employees who holds more than 2% or more of the paid up equity share capital of the company along with their spouse and dependent children and who were in receipt of remuneration for financial year 2023-2024, in excess of that drawn by the Managing Director or Whole-Time Director:

Sr. No.	Name Of Employee	Designation	Remuneration Received (INR) (per annum)	Nature of employment (contractual or otherwise)	Qualifications And Experience	Date Of Joining	Age	The Last Employment Held	The Percentage of Equity Shares Held (Including spouse and dependent children)
1	Gaurav Bhandari	Chief Executive Officer	2,90,60,752	Permanent	B.Com, IIM C/ over 18 years in the financial markets	10/06/2019	43 Years	Centrum Capital Limited	5.31
2	Bankim Shah	Operation Head	30,00,000	Permanent	B.Com/ More than 26 years in Securities market & 16 years in commodity derivatives	01/01/2015	50 Years	Monarch Research and Brokerage Private Limited	6.81 (Along with spouse)
3	Shailen Shah	President-Institutional Desk	24,02,472	Permanent	B.Com/More than 26 Years of experience in Capital Market & Institutional Desk	14/11/2014	48 Years	Monarch Project & Finmarkets Limited	2.08

Notes:

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

Annexure – III

ANNUAL REPORT ON CSR ACTIVITIES

For Financial Year 2023-2024

1 Brief outline on CSR Policy of the Company:

MNCL believes in a philosophy of adopting sustainable business practices which are beneficial to the various stakeholders including the society. Through its corporate values, MNCL constantly endeavors' to actively contribute to the social and economic development of the communities in which it operates.

MNCL has always believed in giving back to the society and recognized its role and responsibility as a corporate citizen. The Company has social values ingrained into its culture and manner of working. To further the Company's CSR philosophy, a formal policy on CSR is being formulated to align its practices with requirements of Companies Act, 2013 and rules made thereunder.

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

For detailed policy, please refer to https://reports.dionglobal.in/mnclgroupadmin/IR_Reports/CSR_Policy_09082018_110752_13022024_040743.pdf

2 Composition of CSR Committee:

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

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

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

4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable

5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S. No.	Financial Year	Amount available for set-off from preceding financial years (₹ In Lakhs)*	Amount required to be set-off for the financial year, if any (₹ In Lakhs)
1	2021-2022	31.02	76.38
2	2022-2023	64.79	19.57
3	2023-2024	94.90	152.50
	Total	190.71	248.45

*The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off.

6 Average net profit of the company as per section 135(5). ₹ 4,745 Lakhs

7 a Two percent of average net profit of the company as per section 135(5) ₹ 94.90 Lakhs

b Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
Nil

c Amount required to be set off for the financial year, if any* Nil

d Total CSR obligation for the financial year (7a+7b-7c). ₹ 94.90 Lakhs

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

Total Amount Spent for the Financial Year. (in ₹ In Lakhs)	Amount Spent (₹ In Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
152.5	N.A	N.A	N.A	N.A	N.A

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

1	2	3	4	5	6	7	8	9	10	11
Sl. No	Name of the Projects	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project State District	Project duration	Amount allocated for the project (in ₹)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in ₹)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration Number
1										

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

1	2	3	4	5	6	7	8
Sl. No	Name of the Projects	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project State District	Amount spent for the project (₹ In Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration Number
1	Contribution towards promoting education & health rural area	Promoting education & Health	No	Maharashtra AHMED NAGAR	94.81	No	Pravara Institute of Research and Education in Natural and Social Sciences CSR00037041
2	Contribution towards promoting education & health rural area	Promoting education & Health	No	Maharashtra AHMED NAGAR	55.19	No	Pravara Institute of Research and Education in Natural and Social Sciences CSR00037041
3	Contribution towards promoting education, sustainability & women empowerment	Promoting education & empowering women and sustainability development	No	Maharashtra Pune	2.50	No	Akka Foundation CSR00033542

(d) Amount spent in Administrative overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 152.50 Lakhs

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

S. No.	Particular	Amount (₹ In Lakhs)
1	Two percent of average net profit of the company as per section 135(5)	94.9
2	Total amount required to be spent after set off (if any)	Nil
3	Total amount spent for the Financial Year	152.5
4	Excess amount spent for the financial year [(ii)-(i)]	57.6
5	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
6	Amount available for set off in succeeding financial years [(iii)-(iv)]	57.6

9 (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1							
Total							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project Completed / Ongoing
1								
2								
3								
Total								

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**(a) Date of creation or acquisition of the capital asset(s).** Nil**(b) Amount of CSR spent for creation or acquisition of capital asset.** Nil**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.** Nil**(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).** Nil**11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).** Not Applicable

Vaibhav Shah
(Chairman CSR Committee)
DIN: 00572666

Chetan Bohra
(Member CSR Committee)
DIN: 03645353

Annexure – IV

FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2024

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

To,
The Members,
MONARCH NETWORK CAPITAL LIMITED
Unit No. 803-804A, 8th Floor, X-Change Plaza,
Block No. 53, Zone 5, Road- 5E, Gift City,
Gandhinagar-382355

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under (to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 (SEBI Act);
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable to the Company during the Audit period**;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021- **Not Applicable to the Company during the Audit period**;

- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not Applicable to the Company during the Audit period;**
- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfers Agents) Regulations, 1993;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 -**Not Applicable to the Company during the Audit period;**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Audit period;**
- (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - **Not Applicable to the Company during the Audit period;**
- (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

We have verified systems and mechanism which is in place and followed by the Company to ensure Compliance of these specifically applicable Laws mentioned at serial no. 1 to 4 (in addition to the above mentioned Laws (5) and applicable to the Company) and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

- (k) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.;

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors:

We also report that adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and shorter notice in case of urgency and a system exists for Board Members for seeking and obtaining further information and clarifications on the agenda item before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, following event / action have taken place having major bearing on the Company's affairs:

1. Resignation of Ms. Hetvi Gandhi as CFO of the Company with effect from 25th May, 2023.
2. Declaration of final dividend of ₹ 1/- per equity shares for the financial year ended March 31, 2023.
3. Re-appointment of Mr. Vaibhav Shah (DIN: 00572666) as Managing Director of the Company for a period of 5 (Five years) from 22nd Sept, 2023.

4. Monarch AIF (wholly owned asset management arm of Monarch Network Capital Ltd) announces launch of MNCL Capital Compounder Fund 2 and outlines strong growth path.
5. Resignation of Ms. Rupali Verma from the position of Company Secretary and Compliance Officer as on February 16, 2024.
6. Appointment of Mr. Nitesh Tanwar (Membership No. FCS-10181) as the Company Secretary of the Company and also designated as the Key Managerial Personnel on March 12, 2024

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For **VKM & ASSOCIATES**
Company Secretaries

(Vijay Kumar Mishra)

Partner

C.P No.: 4279

UDIN : F005023F000444275

P.R.No. : 1846/2022

Place: Mumbai
Date: 24/05/2024

“ANNEXURE A”

To,
The Members,
MONARCH NETWORK CAPITAL LIMITED
Unit No. 803-804A, 8th Floor, X-Change Plaza,
Block No. 53, Zone 5, Road- 5E, Gift City,
Gandhinagar GJ 382355 IN

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

For **VKM & ASSOCIATES**
Company Secretaries

(Vijay Kumar Mishra)

Partner

C.P No.: 4279

UDIN : F005023F000444275

P.R.No. : 1846/2022

Place: Mumbai
Date: 24/05/2024

Annexure – V

ANNUAL SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED 31ST MARCH, 2024

To,

The Members,

MONARCH NETWORK CAPITAL LIMITED

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

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Monarch Network Capital Limited** (hereinafter referred as '**the listed entity**'), having its Registered Office at Unit No. 803- 804A, 8th Floor, X-Change Plaza, Block No. 53, Zone 5, Road- 5E, Gift City, Gandhi Nagar, Gujarat, 382355. Secretarial review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of secretarial review, we hereby report that the listed entity has during the review period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We, M/s. VKM & Associates, Practicing Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by the listed entity,
- (b) the filings/ submissions made by the listed entity to the stock exchange,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the financial year ended March 31, 2024 ("Review Period") in respect of compliance with the provisions of:
 - (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), Rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (hereinafter referred as '**Listing Regulations**');
- b) SEBI, Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 on Schemes of Arrangement by Listed Entities;
- c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the listed entity during the Review Period**)
- d) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not Applicable to the listed entity during the Review Period**)

- f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021; **(Not Applicable to the listed entity during the Review Period)**
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable to the listed entity during the Review Period)**
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the listed entity during the Review Period)**

and circulars/ guidelines issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

and based on the above examination, we hereby report that, during the Review Period:

- I. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019 - **No instance of resignation/ appointment/reappointment of the statutory auditor during the review period.**
- II. Additional affirmations by Practicing Company Secretaries (PCS) in Annual Secretarial Compliance Report (ASCR):

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ remarks by PCS
1.	Secretarial Standard The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under Section 118 (10) of the Companies Act, 2013 and mandatorily applicable.	YES	-
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI. 	YES	-
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website. 	YES	-
4.	Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013.	YES	-

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ remarks by PCS
5.	<p>To examine details related to Subsidiaries of listed entities:</p> <p>(a) Identification of material subsidiary companies.</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries.</p>	<p>(a) NA</p> <p>(b) YES</p>	
6.	<p>Preservation of Documents:</p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	YES	-
7.	<p>Performance Evaluation:</p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.</p>	YES	-
8.	<p>Related Party Transactions:</p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions.</p> <p>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee.</p>	<p>(a) YES</p> <p>(b) NA</p>	-
9.	<p>Disclosure of events and information:</p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	YES	-
10.	<p>Prohibition of Insider Trading:</p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	YES	-
11.	<p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder</p>	YES	-
12.	<p>Additional Non-compliances, if any:</p> <p>No Actions have been taken against the listed entity/ its promoters/ directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder.</p>	NA	-

III. (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/Circulars Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observation/ Remarks of PCS	Management Remarks	Remarks
NA										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/Circulars Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observation/ Remarks of PCS	Management Remarks	Remarks
NA										

(c) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from my/our examination of those records.

For **VKM & Associates**
Company Secretaries

(Vijay Kumar Mishra)
Partner
C.P. No. 4279

UDIN: F005023F000444209
P.R. No.: 1846/2022

Place: Mumbai
Date: May 24, 2024

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance emphasizes on maintaining the highest level of accountability, transparency in all its dealings, timely disclosures and dissemination of price sensitive information and matters of interests to its stakeholders, ensuring absolute compliance with all applicable laws and regulations and conducting business ethically.

The Company believes that Corporate Governance is about conducting business in accordance with the applicable laws, rules and regulations while striking a balance between economic and social goals. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors.

The Company is in compliance with the requirements of Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS

The Board of Directors of the Company consists of directors having rich knowledge and experience in the industry and related sectors for providing strategic guidance and direction to the Company.

The Board of Directors of the Company has optimum combination of Executive and Non-Executive/Independent Directors. As on 31st March, 2024, the Board of Directors comprised of 6 ("Six") directors out of which 3 ("Three") were Non-Executive Director/Independent Director and 3 ("Three") Executive Directors. The Chairman of the Board is an Executive Director.

Board Composition as on 31st March 2024

Board-Demographics and Diversity



67.67% Men

33.33% Women

33 years and 3

Months Average Director age as of 31st March 2024

100% Average attendance rate at Board meetings



50% Independent Director

50% Executive Director

5 years and 11

Months Average tenure of Independent Directors As on 31st March 2024

3 out of 4

Committee Chairpersons are Independent Directors

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which they is a Director. Necessary disclosures regarding Committee positions

in other public companies as on 31st March, 2024 have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act.

Detailed profile of the Directors is available on the Company's website at the web-link: <https://www.mnclgroup.com/>

A. The details of composition of the Board, their attendance at each Board meeting held during the FY 2023-2024 and at the last Annual General Meeting, their directorships in other companies and positions in various Committees are as follows:

Name	Category	No. of Board Meetings Held	No. of Board Meetings Attended	Whether attended last AGM	As on 31 st March, 2024 (Excluding position in the Company)		
					No. of Directorships	Committee	
						Chairmanship(s)	Membership(s)
Mr. Vaibhav Shah	P/MD/ED	8	8	Yes	4	-	-
Mrs. Manju Bafna	P/C/ED	8	8	No	7	-	-
Mr. Ashok Bafna	P/ED	8	8	No	7	-	-
Mr. Chetan Bohra	I/NED	8	8	Yes	9	-	-
Mr. Sathish Kumar	I/NED	8	8	No	1	-	-
Ms. Avni Chouhan	I/NED	8	8	Yes	4	3	-

Notes:

1. C – Chairman, P – Promoter, I – Independent Director, MD- Managing Director, NED – Non Executive Director, ED – Executive Director
2. Chairmanships / Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.
3. The directorship held by directors as mentioned above do not include Directorship in foreign companies and companies registered under Section 8 of the Companies Act, 2013.

B. CHANGES IN BOARD MEMBERS AND KEY MANAGERIAL PERSONNEL (“KMP”) DURING FY2024 AND TILL THE DATE OF THIS REPORT

The Board, as a part of its succession planning, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. The following changes in the Board composition were recommended by the Nomination and remuneration Committee (“NRC”) and approved by the Board of Directors of the Company during the year under review:

1. Mr. Vaibhav Shah (DIN: 00572666), Managing Director of the Company was re-appointment as Managing Director for a further period of 5 (Five years) from 1st December, 2023;
2. Mrs. Hetvi Gandhi, Chief Financial Officer of the Company resigned w.e.f. closing hours of 25th May, 2023;
3. Mrs. Rupali Verma, Company Secretary and Compliance officer of the company resigned w.e.f. closing hours of 16th February, 2024; and
4. Mr. Nitesh Tanwar, was appointed as Company Secretary and Compliance officer of the company w.e.f. 12th March, 2024.

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

Category of Directorship	Category of Directorship	Category of Directorship
Ms. Avni Chouhan	1. Transwind Infrastructures Limited 2. One Global Service Provider Limited 3. Hipolin Limited	Non-Executive - Independent Director

D. Number of Board Meetings:

During the financial year 2023-24, 8 (“Eight”) meetings of Board of Directors were held on viz., 11th May 2023, 25th May 2023, 12th June 2023, 28th July, 2023, 23rd August 2023, 27th October, 2023, 22nd January, 2024 and 12th March, 2024 The necessary quorum was present for all the meetings. The gap between any two meetings never exceeded 120 days (except during relaxation granted by Ministry of Corporate Affairs and Securities and Exchange Board of India).

E. Separate Meeting of Independent Directors

During the year, a separate meeting of the Independent Directors of the Company was held on 12th March, 2024 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole and the quality, quantity and timeliness of flow of information between the Company management and the Board. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

F. Number of shares and convertible instruments held by Directors

Name	Category	Number of equity shares
Mr. Vaibhav Shah	Non-Independent, Executive	34,73,815
Mrs. Manju Bafna	Non-Independent, Executive	15,62,557
Mr. Ashok Bafna	Non-Independent, Executive	7,03,500

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

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

The induction process is designed to:

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

The details of familiarization programme of the Independent Directors are available on the Company's website at <https://www.mnclgroup.com/investor-relation>.

H. Key Board qualifications, expertise and attributes

The Company's Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. These Directors are nominated based on well-defined selection criteria. The Board members are committed to ensure that the Company's Board is in compliance with the highest standards of corporate governance.

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

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

I. Fulfillment of the criteria to be Independent Director:

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

J. Information to the Board

The Company provides information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board and the Board Committees to the extent applicable. A detailed agenda folder is sent to each Director seven days in advance of the Board Meetings. All the agenda items are appended with necessary supporting information and documents (except for price sensitive information, which are circulated separately before the meeting) to enable the Board to take informed decisions.

Further, the Board also reviews the financial statements of the Subsidiary Companies. Pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings of the Company's Unlisted Subsidiary Companies are also placed before the Board.

K. Detailed reasons for the resignation of an Independent Directors (if any)

No independent director resigned during the preceding financial year.

3. COMMITTEES OF THE BOARD:

The Board has 4 ("Four") committees i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The committees operate under the direct supervision of the Board. Generally, the committee meetings are held prior to the board meeting and the chairperson of the respective committee reports to the Board about the deliberations and decisions taken by the committees.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below:

I. AUDIT COMMITTEE:

As on March 31, 2024, the Audit Committee comprises of two Independent Directors and One Non-Executive Directors as under:

Sr. No.	Name	Category	Designation
1	Mr. Chetan Bohra	Non-Executive - Independent Director	Chairperson
2	Mr. Sathish Kumar	Non-Executive - Independent Director	Member
3	Mr. Vaibhav Shah	Executive Director	Member

All Members of the Audit Committee possess accounting and financial management knowledge. The Company Secretary is the Secretary to the Committee.

The scope of the Audit Committee includes the references made under Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations, 2015, read with Section 177 and other applicable provisions of the Companies Act, 2013, besides the other terms that may be referred by the Board of Directors.

The power and brief description of terms of reference of the Audit Committee are:

A. Powers of the Audit Committee

The Audit Committee shall have powers, including the following:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice; and
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Terms of reference

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

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Reviewing with management, the quarterly/half yearly/ annual financial statements before submission to the Board for approval with particular reference to:
 - ◆ Matters required to be included in the Directors' Responsibility Statement.
 - ◆ Changes, if any, in accounting policies and practices and reasons for the same.
 - ◆ Major accounting entries involving estimates based on the exercise of judgment by the management.
 - ◆ Significant adjustments made in the financial statements arising out of audit findings.
 - ◆ Compliance with listing and other legal requirements relating to financial statements.
 - ◆ Disclosure of related party transactions.
 - ◆ Qualifications in draft audit report.
 - ◆ Recommending the appointment/ re-appointment/removal of statutory auditors, fixation of audit fees and also approval of payments for any other services.
- Reviewing with management, Statutory and internal auditor's adequacy of the internal control systems.
- Discussing with internal and statutory auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- Reviewing the Company's financial and risk management policies.
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/ or other Committees of Directors of the Company.
- Scrutiny of inter-corporate loans and investments
- Approval or any subsequent modification of transactions of the Company with related parties
- Valuation of undertakings or assets of the company, wherever it is necessary; Evaluation of internal financial controls and risk management systems
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company
- The audit committee shall review the information required as per SEBI Listing Regulations.

During the year under review, the Audit Committee met Six times on 11th May 2023, 25th May 2023, 28th July 2023, 23rd August 2023, 27th October 2023 and 22nd January, 2024. The necessary quorum was present at respective and the gap between two Audit Committee Meetings was not more than 120 days.

The attendance of each member of the Audit Committee at its Meeting(s) held during financial year 2023-24 is given below:

Name of the Member	Designation	Non-Executive / Executive / Independent Director	No. of meetings held	Committee meeting(s) attended
Mr. Chetan Bohra	Chairperson	Non-Executive - Independent Director	6	6
Mr. Sathish Kumar	Member	Non-Executive - Independent Director	6	6
Mr. Vaibhav Shah	Member	Executive Director	6	6

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company held on September 22, 2023.

II. NOMINATION AND REMUNERATION COMMITTEE:

As on March 31, 2024, the Nomination and Remuneration Committee comprises of two Independent Directors and One Executive Directors as under:

Sr. No.	Name	Category	Designation
1	Mr. Chetan Bohra	Non-Executive - Independent Director	Chairperson
2	Mr. Sathish Kumar	Non-Executive - Independent Director	Member
3	Mrs. Manju Bafna	Executive Director	Member

The composition of the Nomination and Remuneration Committee is in conformity with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations, 2015, as amended from time to time.

The scope of the Nomination and remuneration Committee is as set out in regulation 19 of SEBI Listing Regulations, 2015, read with Section 178 and other applicable provisions of the Companies Act, 2013, and other applicable provisions of SEBI (Share Based Employees Benefits and Sweat Equity), regulation, 2021 and the nomination and remuneration policy of the Company, besides the other terms that may be referred by the Board of Directors.

The brief description of terms of reference of the Nomination and Remuneration Committee are:

- Recommend to the Board the setup and composition of the Board and its committees, including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director.” The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of directors.
- Devise a policy on Board diversity.
- Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this Committee).

- Carry out evaluation of every director’s performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include “Formulation of criteria for evaluation of Independent Directors and the Board”. Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
- Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of the employees.
- On an annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
- Oversee familiarization programmes for directors.
- Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and executive team).
- Provide guidelines for remuneration of directors on material subsidiaries.
- Recommend to the Board on voting pattern for appointment and remuneration of directors on the Boards of its material subsidiary companies.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

During the year under review, the Nomination and Remuneration Committee met two (2) times on 23rd August 2023 and 12th March, 2024. The necessary quorum was present at respective meetings. The attendance of each member of the Nomination and remuneration Committee at its Meeting(s) held during financial year 2023-24 is given below:

Name of the Member	Designation	Non-Executive / Executive / Independent Director	No. of meetings held	Committee meeting(s) attended
Mr. Chetan Bohra	Chairperson	Non-Executive - Independent Director	2	2
Mr. Sathish Kumar	Member	Non-Executive - Independent Director	2	2
Mrs. Manju Bafna	Member	Executive Director	2	2

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

The Chairperson of the Nomination and Remuneration committee was present at the last Annual General Meeting of the Company held on September 22, 2023.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of

knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

Nomination & Remuneration policy:

The Company follows a comprehensive policy for selection, re-commendation, appointment of Directors and other senior managerial employees and also on the remuneration, and such other related provision as applicable.

The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at <https://www.mnclgroup.com/investor-relation/investor-relation-policy>.

Details of remuneration/sitting fees paid to the Directors and number of shares held by them in the Company during the financial year 2023-24 are as follows:

Name	Category	Salary	Perquisites/ Allowances	Stock Options	Sitting Fees*	Total	No. of shares held
Mr. Vaibhav Shah	Managing Director	1,60,11,269	-	-	-	1,60,11,269	34,73,815
Mrs. Manju Bafna	Chairman & Whole Time Director	21,37,980	-	-	-	21,37,980	15,62,557
Mr. Ashok Bafna	Whole Time Director	24,02,472	-	-	-	24,02,472	7,03,500
Mr. Chetan Bohra	Independent Director	-	-	-	-	-	-
Mr. Sathish Kumar	Independent Director	-	-	-	-	-	-
Ms. Avni Chouhan	Independent Director	-	-	-	-	-	-

*Note: None of the Directors is paid any sitting fees for attending the Board or Committee meeting.

There were no pecuniary relationships or transactions of Non-Executive Directors with the Company during the year under review. The Company has not granted any stock options to its Directors.

Change in senior management during the year

There were no changes in Senior Management during the reporting period.

Service Contract, Notice Period and severance Fee

The Contract of the Executive Directors of the Company is for a period of five years and can be terminated by giving notice of 90 days from either side. The term of the Executive Director is subject to retirement, in accordance with the provisions of the Act.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

As on March 31, 2024, the Stakeholders Relationship Committee comprises of two Independent Directors and one Executive Director as under:

Sr. No.	Name	Category	Designation
1	Mr. Chetan Bohra	Non-Executive - Independent Director	Chairperson
2	Mr. Sathish Kumar	Non-Executive - Independent Director	Member
3	Mr. Vaibhav Shah	Executive Director	Member

The composition of the Committee is in conformity with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations, 2015, as amended from time to time. The Company Secretary is the Secretary to the Committee. The scope of the Stakeholders Relationship Committee includes the reference made under regulation 20 read with para B of Part C of Schedule II of SEBI Listing Regulations, 2015, read with Section 178 and other applicable provisions of the Companies Act, 2013, besides the other terms that may be referred by the Board of Directors.

The brief descriptions of terms of reference of the Stakeholders Relationship Committee are:

- The Committee is specifically responsible for the redressal of shareholders'/investors' grievances pertaining to non-receipt of Annual Report, dividend payments, Share transfers and other miscellaneous complaints and recommends measures for overall improvement in the quality of investor services.
- The Committee also overviews the performance of the Registrar and Share Transfer Agents of the Company relating to investors services and recommend measures for improvements.

SEBI Complaints Redress System (SCORES 2.0)

Securities and Exchange Board of India ("SEBI") administers a centralised web based complaints redress system ("SCORES"). It enables investors

to lodge and follow up complaints and track the status of redressal online on the website at <https://scores.sebi.gov.in>. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal of such complaints. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES.

SMART ODR

The Securities and Exchange Board of India (SEBI) has released a significant master circular on July 31, 2023, aimed at enhancing the resolution of disputes within the Indian securities market. This circular introduces a comprehensive framework for Online Dispute Resolution (ODR) to streamline the resolution process and protect the interests of investors, companies and intermediaries.

The framework encompasses various stakeholders, including Recognised Stock Exchanges, Clearing Corporations, Depositories, Stock Brokers, Depository Participants, Listed Companies, and SEBI Registered Intermediaries. The circular emphasises the usage of online conciliation and arbitration mechanisms, offering investors and market participants an efficient way to resolve disputes. The Company has registered itself on ODR portal and endeavours to resolve all complaints.

During the financial year 2023-24, 1 ("one") queries/ complaint was received by the Company from members/investors/ authorities.

Name and Designation of Compliance officer:

S. No.	Name	Time Period
1	Mrs. Rupali Verma	Upto February 16, 2024
2	Mr. Nitesh Tanwar	From March 12, 2024

During the year under review, the Stakeholders Relationship Committee met three times on 25th May 2023, 28th July 2023 and 23rd August 2023. The necessary quorum was present at the meeting.

The attendance of each member of the Stakeholders Relationship Committee at its Meeting(s) held during financial year 2023-24 is given below:

Name of the Member	Designation	Non-Executive / Executive / Independent Director	No. of meetings held	Committee meeting(s) attended
Mr. Chetan Bohra	Chairperson	Non-Executive - Independent Director	3	3
Mr. Sathish Kumar	Member	Non-Executive - Independent Director	3	3
Mr. Vaibhav Shah	Member	Executive Director	3	3

The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on September 22, 2023.

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As on March 31, 2024, the Corporate Social Responsibility Committee comprises of one Independent Directors and two Executive Directors as under:

Sr. No.	Name	Category	Designation
1	Mr. Vaibhav Shah	Executive Director	Chairperson
2	Mr. Chetan Bohra	Non-Executive - Independent Director	Member
3	Mrs. Manju Bafna	Executive Director	Member

During the period under review, there was no change in the composition of the CSR Committee. The composition of the CSR Committee is in conformity with the applicable provisions of Companies Act, 2013, as amended from time to time. The Scope of the CSR Committee includes the references made under section 135 and other applicable provisions of the Companies Act, 2013, and Corporate Social Responsibility policy of the Company, beside the other terms that may be referred by the Board of Directors.

The attendance of each member of the CSR Committee at its Meeting(s) held during financial year 2023-24 is given below:

Name of the Member	Designation	Non-Executive / Executive / Independent Director	No. of meetings held	Committee meeting(s) attended
Mr. Vaibhav Shah	Chairperson	Executive Director	1	1
Mr. Chetan Bohra	Member	Non-Executive - Independent Director	1	1
Mrs. Manju Bafna	Member	Executive Director	1	1

The Chairperson of the CSR Committee was present at the last Annual General Meeting of the Company held on September 22, 2023.

The brief description of terms of reference of the CSR Committee are:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

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

During the year under review, the CSR Committee of the Company met one time on 20th October 2023. The necessary quorum was present at the meetings.

4. GENERAL BODY MEETINGS

Given below are the details of Annual General Meetings for the previous three financial years:

Financial Year	AGM	Date of AGM	Time	Location of the meeting
2022-23	30 th	22 nd September, 2023	12.30 p. m.	Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasan Por Road, Kudasan, Gandhinagar -382421
2021-22	29 th	23 rd September, 2022	2.00 p.m.	Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasan Por Road, Kudasan, Gandhinagar -382421
2020-21	28 th	30 th September, 2021	2.00 p.m.	Fortune Inn Haveli, East Wing - Banquet Hall, Plot No 235, Sector 11, Gandhinagar - 382011

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

Date of AGM	Purpose of Resolution
22 nd September, 2023	Re-appointment of Mr. Vaibhav Shah (DIN: 00572666) as Managing Director of the Company:
23 rd September, 2022	Re-appointment of Mrs. Manju Bafna as a Whole Time Director of the Company
30 th September, 2021	NA

Postal Ballot (E-voting):

During the year under review, no Special Resolution was passed by means of Postal Ballot.

Details of special resolution proposed to be conducted through postal ballot:

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

Extraordinary General Meeting:

No Extraordinary General Meeting of shareholders was held during the financial year 2023-24.

5. MEANS OF COMMUNICATION:

a. Quarterly results:

The Company's quarterly / half-yearly / annual financial results are sent to the Stock Exchanges and published in 'Financial Express' (English) and 'Financial Express' (Gujarati) and Economics Times (English). They are simultaneously also displayed on the Company's website: <https://www.mnclgroup.com/investor-relation/investor-relation-announcements>.

b. News releases, presentations:

Official news releases and official media releases are generally sent to the Stock

Exchanges and are also available on the website of the Company: <https://www.mnclgroup.com/investor-relation/investor-relation-announcements>.

c. Presentations to institutional investors / analysts:

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

d. Website:

The Company's website i.e. <https://www.mnclgroup.com/investor-relation> contains a separate dedicated section 'Investor Relations' where shareholders' information is available.

e. Annual Report:

The Annual Report containing, inter alia, Audited Financial Statement, Audited Consolidated Financial Statement, Board's Report, Auditors' Report and other important information is circulated to the members and others entitled thereto. The management discussion and analysis report forms part of the Annual Report. The Annual Report is also available in downloadable form on the website of the Company.

f. BSE Corporate Compliance & Listing Centre (“Listing Centre”):

BSE’s Listing Centre is a web-based application designed by BSE for corporates. All periodic compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on the Listing Centre.

g. NSE Electronic Application Processing System (“NEAPS”):

The NEAPS is a web-based application designed by NSE for corporates. All periodic compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on NEAPS.

h. SEBI Complaints Redress Systems (SCORES) and SMART ODRs:

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of the system are:

- Centralized database of all complaints,
- Online upload of Action Taken Report (ATR’s) by concerned companies and
- Online viewing by investors of actions taken on the complaint and its current status.

i. Designated exclusive e-mail-IDs:

The Company has designated the following email-IDs exclusively for:

- Investor servicing/ grievances: cs@mnclgroup.com
- Clients services/ grievances: grievances@mnclgroup.com

j. Disclosures:

The Company informs BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) about all price sensitive matters or such other matters which in its opinion are material and of relevance to the members and the same are also displayed on the Company’s website. Further, in compliance to the provisions of Regulation 30 of the Listing Regulations, the Company has disclosed on its website, a duly approved

Policy on Determination of Materiality of Events. NSE Electronic Application Processing System (“NEAPS”), NSE Digital Portal and BSE Corporate Compliance & Listing Centre (“Listing Centre”) are a web-based application designed by NSE and BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS and the Listing Centre.

6. GENERAL SHAREHOLDER INFORMATION

The Company is registered with the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identity Number (CIN) allotted to the Company by the MCA is L65920GJ1993PLC120014.

a) Annual General Meeting:

Day and Date	Friday, September 20, 2024
Time	12:30 p.m.
Mode of AGM	Physical
Venue of the Meeting	Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasan Por Road, Kudasan, Gandhinagar - 382421
Remote e-voting starts	Tuesday, September 17, 2024 at 9:00 A.M.
Remote E-voting ends	Thursday, September 19, 2024 at 5:00 P.M.
E-voting at AGM	Friday, September 20, 2024

b) Financial Year of the Company:

The financial year covers the period from 1st April to 31st March.

c) Board Meetings schedule for Financial Reporting:

- Quarter ending 30th June, 2024 - End of July 2024
- Half-year ending 30th September, 2024 – End of October 2024
- Quarter ending 31st December, 2024 – End of January 2025
- Year ending 31st March, 2025 - End of May 2025

Note: The above dates are indicative.

d) Dates of Book Closure:

Book Closure/record date for Dividend is 2nd August, 2024.

e) Dividend Payment:

A dividend of ₹ 1.00 per Equity Share (10%) on the face value of ₹ 10 each, would be paid after 20th September 2024, subject to approval by Shareholders at the ensuing AGM.

f) Registered Office:

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

g) Listing Details

The Company's Shares are listed on:

Name	BSE Limited (BSE)	The National Stock Exchange of India Limited (NSE)
Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
Stock Exchange Codes	511551	MONARCH
The requisite listing fees for FY2024 and FY2025 have been paid in full to both the Stock Exchanges.		
Demat ISIN in NSDL and CDSL for Equity Shares : INE903D01011		

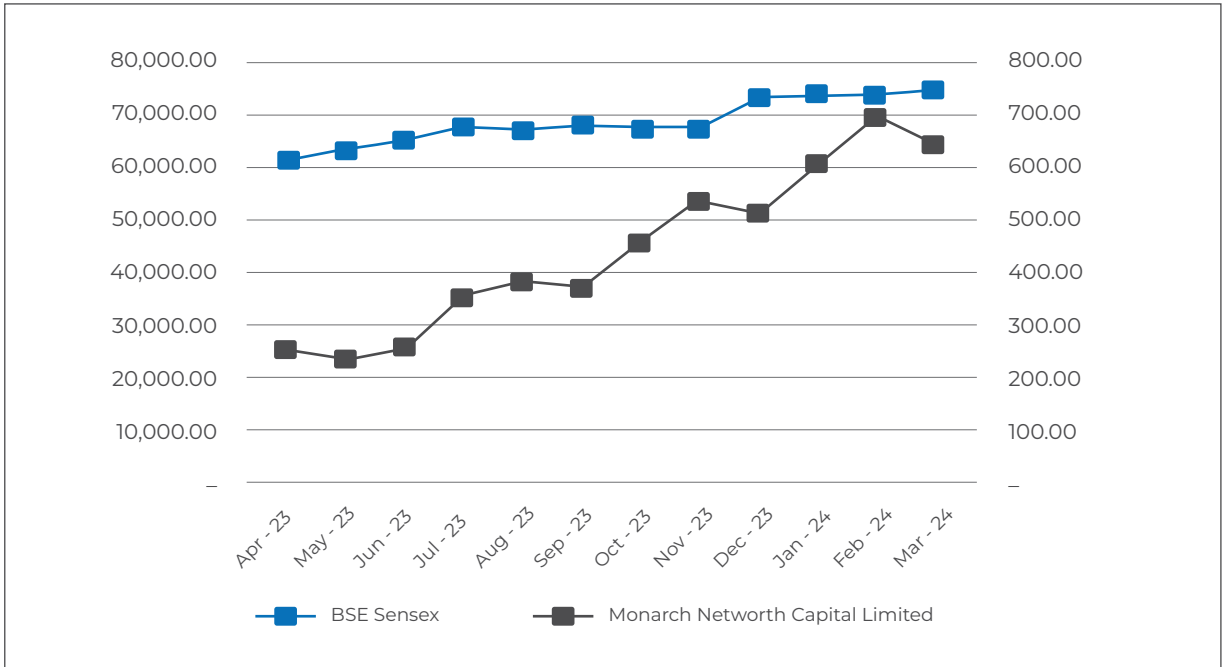
h) Market Price Data:

The monthly high and low quotations of the company's shares traded on the BSE Limited and the National Stock Exchange of India Limited during the financial year 2023-2024 are as under:

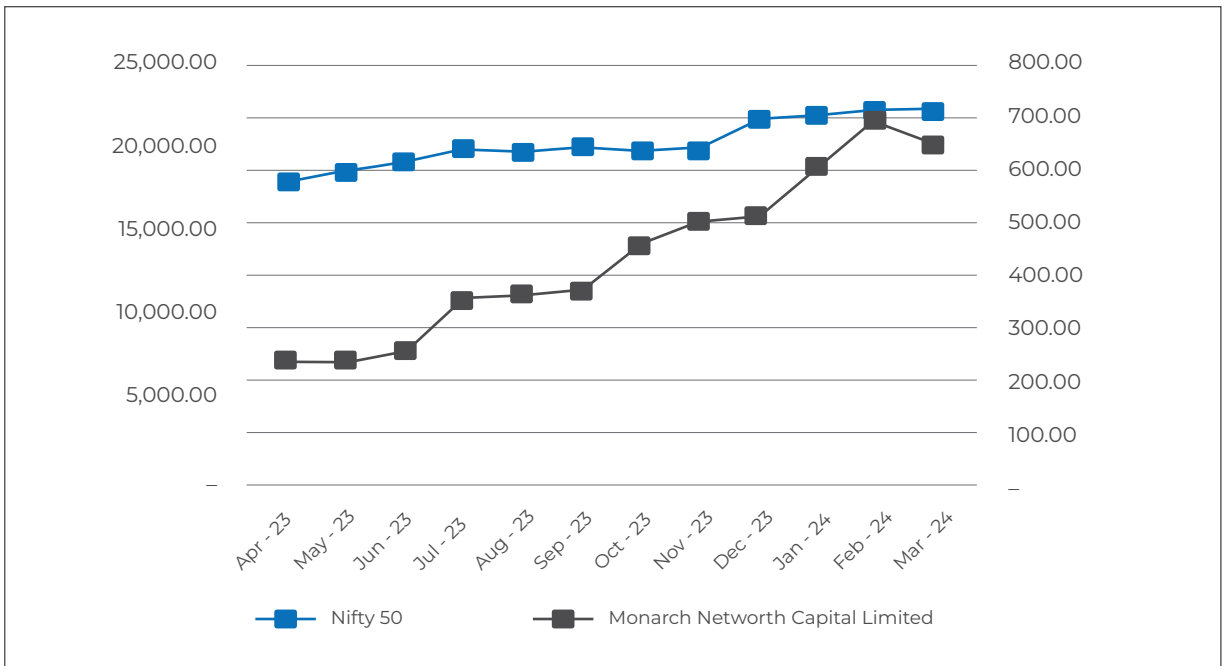
Month	Price on BSE (INR.)*		Price on NSE (INR.)*	
	High	Low	High	Low
April 2023	249.00	191.80	236.25	191.60
May 2023	236.00	198.90	237.50	199.00
June 2023	254.00	200.00	253.05	201.05
July 2023	349.35	240.00	349.00	242.00
August 2023	375.45	315.50	362.00	315.40
September 2023	368.75	309.00	368.60	308.95
October 2023	453.60	324.00	454.00	324.05
November 2023	532.65	399.10	500.70	399.00
December 2023	510.70	424.05	511.75	426.00
January 2024	603.25	423.45	605.00	422.95
February 2024	690.30	588.80	689.95	589.20
March 2024	642.45	465.05	649.95	490.00

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

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



*Source: www.bseindia.com



*Source: www.nseindia.com

j) Suspension from trading

None of the securities of the Company have been suspended for trading at any point of time during the year.

k) Registrars and Share Transfer Agents

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

l) Share Transfer System

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

m) Shareholding Pattern as on 31st March, 2024:

(i) Distribution Schedule as on 31st March, 2024:

Slab of Shares Holding	Number of Share Holders	% to total number of holders	Shareholding Amount	% to total Number of Shares
Up To 5,000	6957	88.88	63,58,290.00	1.88
5001 To 10,000	329	4.20	26,01,340.00	0.77
10001 To 20,000	176	2.25	27,83,580.00	0.82
20001 To 30,000	79	1.01	20,42,720.00	0.60
30001 To 40,000	43	0.55	15,68,090.00	0.46
40001 To 50,000	49	0.63	22,82,640.00	0.67
50,001 To 100000	65	0.83	49,78,430.00	1.47
10001 and above	129	1.65	31,60,80,090.00	93.32
TOTAL	7827	100.00	33,86,95,180.00	100.00

(ii) Categories of equity shareholding as on March 31, 2024:

Categories	No of Shareholders	No. of Shares	% of shareholding
Promoters	16	1,89,40,175	55.92
Foreign Portfolio Investors	7	1,75,611	0.52
Financial Institution/Banks	2	50,300	0.15
Non- Resident Indians	72	1,36,585	0.40
Bodies Corporate	105	56,39,952	16.65
Resident Indian HUF	257	6,63,952	1.96
Indian Public	7347	74,22,227	21.91
Trust	3	21,518	0.06
Firm	18	8,19,198	2.42
Total	7827	3,38,69,518	100.00

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

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

(iii) **Dematerialization of Equity Shares and Liquidity**

Break-up of shared held in physical and dematerialised form as on March 31, 2024 is as follows:

Shareholding	2023-24	
	No. of Shares	% of Total
Physical	2,26,222	0.67
Demat Segment :		
NSDL	2,27,20,038	67.08
CDSL	1,09,23,258	32.25
Total	3,38,69,518	100.00

As on 31st March, 2024, 99.33% of the equity shares of the Company are held in dematerialized form with NSDL and CDSL. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE903D01011.

n) **Outstanding ADR / GDR/ Warrants/ Convertible Instruments and their impact on Equity:**

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

o) **Investor Correspondence Address**

Shareholders may note that the share transfers, dividend payments and all other investor-related activities are attended to and processed at the office of the Company's RTA. For any grievances/complaints, shareholders may contact the RTA, M/s. Skyline Financial Services Private Limited, at the following address:

Registrar and Transfer Agents (RTA):
M/s. Skyline Financial Services Private Limited
Okhla Industrial Area, Phase- I,
New Delhi- 110020
Phone: (011) 26812682 / 83 / 84
Email: admin@skylinerta.com
Website: www.skylinerta.com

For any escalations, shareholders may write to the Company at cs@mnclgroup.com

For addresses and contact details for investor queries, RTA, depository banks, depositories for equity shares in India and stock exchanges please refer to the Investor contacts section on the website of the Company.

p) **Plant Location:**

The Company is in the business of Stock Broking and other financial services; therefore, it does not have any manufacturing plants.

q) **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad : N.A**

7. OTHER DISCLOSURES

a) **Related Party Transactions:**

There were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors during the financial year ended 31st March, 2024 that may have potential conflict with the interest of the Company at large. The transactions with the related parties, as per the requirements of the Accounting Standard (AS) 18, are disclosed in the Notes on Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transaction is available on Company's website at <https://www.mnclgroup.com/investor-relation/investor-relation-policy>.

b) **Non-compliances, Penalties and Strictures related to Capital Market:**

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years except as stated in **Annexure - A**. Further, no strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities as per Listing Compliances except as stated in **Annexure - A**.

c) **Whistle Blower Policy/ Vigil Mechanism:**

The Company promotes ethical behavior in all its business activities and adopted Vigil Mechanism/Whistle Blower Policy to report unethical and fraudulent behavior. Under the said policy the employee, vendors and customers can report any suspected or confirmed incident of fraud, misconduct, unethical behavior etc. to the Company.

This will ensure fraud-free work & ethical environment. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and direct access to the Chairman of the Audit Committee is also available in exceptional cases. No person has been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company viz., <https://www.mnclgroup.com/investor-relation/investorrelation-policy>.

d) Policy for determining Material Subsidiaries:

Your Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the Listing Regulations. The Policy has been hosted on the website of the Company and can be accessed through the web-link: <https://www.mnclgroup.com/investor-relation/investor-relation-policy>.

e) Commodity Price risks and Hedging Activities:

Company is not dealing in Commodity Trading, so Price risks and hedging activities are not applicable to Company.

f) Details of utilisation of funds raised through Preferential Allotment or Qualified Institutions Placement:

During the year under review, your Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the Listing Regulations.

g) Certificate Regarding Non-Debarment and Non-Disqualification of Directors:

A certificate issued by M/s. VKM & Associates, Company Secretaries, pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the Listing Regulations, certifying that none of the Directors on the Board of the Company as on 31st March 2024, have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority as attached at the end of the Corporate Governance Report as "Annexure - B".

h) Disclosure in relation to recommendations made by the Committees of the Board:

All recommendations of the committees have been considered by the Board of

Directors, from time to time, while arriving at any decision, and there has been no instance during the year under review, where any such recommendation which is mandatory in nature has not been abide with.

i) Fees paid to the Statutory Auditors and all entities in the network firm/ entities:

The details of fees for all the services paid by the Company and its Subsidiaries on a consolidated basis to Statutory Auditors of the Company, and all entities in the network firm/network entity of which the Statutory Auditors are a part, are given below:

(₹ In Lacs)	
Particulars	Total fees for FY2024
Statutory Audit	6.00
Other permissible Services	0.67
Reimbursement of expenses	-

j) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"):

The Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

The Company has in place a comprehensive Policy in accordance with the provisions of POSH Act and Rules made thereunder. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Policy has been widely communicated internally. The Company ensures that no employee is disadvantaged by way of gender discrimination.

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

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee ("ICC") under the POSH Act to redress complaints received regarding sexual harassment.

To ensure that all the employees are sensitized regarding issues of sexual harassment, the Company conducts an online Induction Training through the learning platform “rainmaker” covering topics including POSH awareness, reconciliation before filing POSH complaint(s) and consequences of filing false complaint(s).

The following is a summary of Sexual Harassment complaint(s) received and disposed of during FY2024, pursuant to the POSH Act and Rules framed thereunder:

- a) Number of complaint(s) of Sexual Harassment received during FY2024 – Nil
- b) Number of complaint(s) disposed of during FY2024 – Nil
- c) Number of cases pending as of 31st March 2024 – Nil

k) Particulars of loans/ advances etc. pursuant to para A of Schedule V of Listing Regulations:

The details of loans and advances given during the year as well as outstanding as on the year ended March 31, 2024 are covered under Note No. 59, under the head ‘Loans and Advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013)’, forming part of Notes to Standalone Financial Statements.

l) Details of material subsidiaries of the listed entity, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Not applicable as the Company does not have any material Subsidiary company.

m) Non-compliance of any requirement of corporate governance report of sub-para (2) to (10) above, with reasons thereof shall be disclosed:

There have been no instances of non-compliance of any requirements of the Corporate Governance as prescribed by SEBI Listing Regulations.

n) Compliance with discretionary requirements:

The Company has also complied with the following discretionary requirements as specified under Regulation 27(1) read

with Part E of Schedule II of the Listing Regulations:

a. Unmodified Audit Opinion

There was no audit qualification in Company’s standalone or consolidated financial statements for FY2024. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

b. Separate Posts of Chairman and Managing Director

As on the date of this report, the Chairman of the Board is a Whole-time Director and her position is separate from that of the Managing Director. They are not related to each other.

o) Compliance

The Company has complied with the requirements of Corporate Governance Report of Paragraphs (2) to (10) mentioned in Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, in this Report.

p) Code of Conduct and Certificate on Compliance of Corporate Governance:

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 (“Act”). This Code of Conduct emphasizes the Company’s commitment to Compliance with the highest standards of legal and ethical behavior. This Code of Conduct is available on the website of the Company at <https://www.mnclgroup.com/investor-relation/investor-relation-code-of-conduct>.

All Directors and senior management have adhered to the Code of Conduct of the Company during the year and have

signed declarations in compliance with the Code of Conduct. The declaration signed by Mr. Gaurav Bhandari, Chief Executive Officer is given separately in this report as **Annexure - C**.

The Certificate from Practicing Company Secretary on Compliance of provisions related to Corporate Governance by the Company is also annexed to this report as **Annexure - D**.

q) Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account:

In accordance with the provisions of Regulation 39 (4) read with Regulation 34 (3) and Part F of Schedule V of the Listing Regulations, there are no shares lying in Demat Suspense Account/Unclaimed Suspense Account.

r) Disclosure of certain types of agreements binding the Company as required to be disclosed under clause 5A of paragraph A of Part A of Schedule III read with regulation 30A of the Listing Regulations:

The Company has not received any information on any agreement(s) subsisting as on 15th July 2023 or entered into after 15th July 2023 till 31st March 2024 by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, directly or indirectly or potentially impacting the management or controlling the Company or imposing any restriction or creating any liability upon the Company.

s) Disclosure of Accounting Treatment in Preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Act, and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

Accounting policies have been consistently applied, for the preparation of Financial Statements, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. With respect to the annual audited financial statements for the year ended 31st March 2024, the Company is in compliance with the requirements of the applicable Accounting Standards.

t) The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents which is also available on the website of the Company at <https://www.mnclgroup.com/investor-relation/investor-relation-policy>.

u) Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

v) CEO/MD and CFO Certification

In The Chief Executive Officer and the Managing Director of the Company give annual certifications on financial reporting and internal controls to the Board in terms of Regulation 17 (8) read with Part B of Schedule II of Listing Regulations. The said Certificate is annexed and forms part of this report as **Annexure – E**. The Managing Director and the Chief Executive Officer also give quarterly certification on financial results, while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

For **Monarch Network Capital Limited**

Vaibhav Shah

Managing Director

DIN: 00572666

Place: Ahmedabad

Date: May 24, 2024

Sr. No.	Details of the case	Observation summary	Name of Statutory Authority	Strictures/Penalties imposed/ Further action
1	offsite Inspection of books of accounts , other records and documents for the period FY 2022-23	Incorrect Margin reporting for an client for trade date 23 th DEC 2022	NSE	Monetary Penalty of ₹ 4,400/-
2	offsite Inspection of books of accounts , other records and documents for the period FY 2020-21	Holding reconciliation mismatch found in the holding statement submitted to the exchange for date 26 th March 2021	BSE	Monetary Penalty of ₹ 25,000/-
3	Internal Audit Report from Apr-22 to Sep-22	<p>Non-compliance observed on 3 points in internal audit report for quarter ending SEP-2022:</p> <ol style="list-style-type: none"> 1. Value base reconciliation not done for 1 client bank ,resulting in wrong enhance supervision data submitted to exchanges; 2. Correct bank EOD balances are not submitted to exchanges for 1 bank; and 3. Correct client ledger balances are not submitted to exchanges due to value base reconciliation not done for 1 bank 	NSE	Monetary Penalty of ₹ 3,00,000/-
4	Internal Audit Report from Apr-22 to Sep-22		NSE	Monetary Penalty of ₹ 10,000/-

ANNEXURE – B**CERTIFICATE UNDER REGULATION 34(3) OF SEBI LISTING REGULATIONS**

We have examined the relevant records, registers, forms, and documents of Monarch Network Capital Limited (the company), having CIN L65920GJ1993PLC120014 and registered office at Unit No. 803-804A, 8th Floor, X-Change Plaza, Block No. 53, Zone 5, Road- 5E, Gift City, Gandhinagar -382355, maintained and produced before us, and the records available in public domain, for the year ended on 31st March, 2024 for the purpose of issuing the certificate under regulation 34(3), read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

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

For **VKM & Associates**

Vijay Kumar Mishra

Practicing Company Secretary

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

UDIN NO.: F005023F000444341

Place: Mumbai

Date: May 24, 2024

ANNEXURE – C

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I, Gaurav Bhandari, Chief Executive Officer of the Company, declare that the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March, 2024.

For **Monarch Network Capital Limited**

Place: Mumbai
Date: May 24, 2024

Vaibhav Shah
Managing Director
DIN: 00572666

Gaurav Bhandari
Chief Executive Officer

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of MONARCH NETWORK CAPITAL LIMITED

We have examined the compliance of conditions of Corporate Governance by Monarch Network Capital Limited, for the year ended on 31st March 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **VKM & Associates**

Vijay Kumar Mishra

Practicing Company Secretary

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

UDIN NO.: F005023F000444363

Place: Mumbai

Date: May 24, 2024

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

To
The Board of Directors
Monarch Network Capital Limited

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2024 and that to the best of our knowledge and belief;
 - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - 1) Significant changes in internal control over financial reporting during the year.
 - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Monarch Network Capital Limited**

Place: Ahmadabad
Date: May 24, 2024

Vaibhav Shah
Managing Director
DIN: 00572666

Gaurav Bhandari
Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended on March 31, 2024. Investors are cautioned that these discussions contain certain forward-looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report consequent to new information or developments, events or otherwise.

GLOBAL ECONOMY

The global economy has displayed surprising resilience, despite widespread disinflation in FY23 and central banks raising interest rates to combat inflation. Inflationary pressures are easing faster than expected in many regions, leading to a more balanced outlook compared to last year. While this prevented the much-feared stagflation, economic growth is projected to remain modest compared to historical trends. The resilience is primarily attributable to the strength of the US and Indian economies, even as China and Eurozone's performance have been spotty.

The baseline forecast predicts steady global growth of 3.2% for 2024 and 3.3% for 2025. This is broadly the same pace as it was in 2023. Advanced economies are expected to experience a slight acceleration, while emerging markets might see a modest slowdown. However, global activity and world trade firmed up at the turn of the year, with trade spurred by strong exports from Asia, particularly in the technology sector. The momentum on global disinflation is slowing, signalling bumps along the path. This reflects different sectorial dynamics: the persistence of higher-than-average inflation in services prices, tempered to some extent by stronger disinflation in the prices of goods.

Overall, global financial conditions remain accommodative. Although longer-term yields have generally drifted upward, in tandem with the repricing of policy paths, buoyant corporate valuations have kept financial conditions accommodative. The increase in yields is likely to put pressure on fiscal discipline, however, which in some countries is already strained by the inability to rein in spending or raise taxes.

Source: World Economic Outlook-IMF, July 2024

INDIAN ECONOMY

Amidst the uncertain global economic environment, with high-interest rates and geopolitical tension, India continued to demonstrate resilience. Holding

its position as the world's fifth-largest economy, it put up a strong performance in FY24, registering a robust GDP growth rate of 8.2%. This exceeded the previous year's 7.0%, largely driven by factors such as the healthy domestic consumption, increased government investments, and a robust financial sector.

Manufacturing emerged as a key driver with an impressive 9.9% growth, supported by a significant rise in the Index of Industrial Production (IIP). The service sector also displayed resilience, with the Purchasing Managers' Index (PMI) consistently above 50, indicating on-going expansion. Strong domestic demand was further reflected in a rise of 12.7% in GST collections compared to the same period in FY23.

The Union Budget for FY25, presented in July 2024, demonstrated the government's commitment to infrastructure development, economic stability, sector-specific advancements, environmental sustainability, and strategic global positioning. Taking a long-term view of growth and progress for the Indian economy, it was crafted around the vision of a 'Viksit Bharat' (Developed India) by 2047.

On the monetary front, the Reserve Bank of India (RBI) continued to follow its monetary stance of 'withdrawal of accommodation', keeping key policy rates unchanged at 6.5% for the eighth consecutive review in early June 2024. This tight monetary stance helped to curb growing inflation and core inflation softened for the 11th consecutive month since June 2023.

Looking ahead, the RBI forecasts that real GDP growth for FY25 should come in at 7.2%, on the strength of various factors including the strengthening of rural demand, improving employment conditions and informal sector activity, moderating inflationary pressures, rising exports due to improving global trade and sustained momentum in manufacturing and services sector, which is likely to boost private

consumption. The World Bank, in its bi-annual report 'South Asia Development Update', released on April 2, 2024, has offered a more conservative forecast. It has increased its growth rate projection for the Indian economy for FY25 to 6.6% from 6.4% in its previous report.

<https://pib.gov.in/PressReleasePage.aspx?PRID=2034973>

INDUSTRY OVERVIEW

Stock broking

Within India's vibrant capital market, the equity segment plays a dominant role, supported by robust Market Infrastructure Institutions (MII), comprising depositories, trading, settlement and record keeping corporation, etc. These tech-savvy institutions have been facilitating rapid growth in the base and depth of equity markets as the number of investor accounts with brokers and depositories have increased considerably, particularly in recent years. The NSE and BSE, India's leading stock exchanges have also been claiming the global spotlight; in a significant achievement, the Indian stock market surpassed Hong Kong in January 2024 to become the world's fourth largest. These two exchanges have a combined value of shares exceeding US\$ 4.33 trillion. This impressive feat is underscored by the stellar performance of key indices like the Nifty and Sensex, which also reached record highs in FY 2023-24.

In FY24, global factors like rising inflation, geopolitical tensions, and on-going disruptions in the Middle East region have been casting a shadow of uncertainty. These concerns have impacted foreign investment, with net foreign direct investment (FDI) inflows declining in 2023 compared to the previous year. Despite these external challenges, domestic institutions have emerged as a pillar of stability in the Indian equity market. For the third consecutive year, they have outperformed their foreign counterparts, acting as a crucial buffer during periods of foreign investor withdrawal. This trend highlights the growing strength and confidence of domestic institutions in the Indian market.

As a result of all these factors, the stock broking industry is expected to achieve all-time high revenues and net profits in FY24, according to a report by rating agency ICRA. The report pointed out that this growth was driven by a revival in investor sentiment.

Investment banking

India's investment banking sector demonstrates immense potential and is expected to reach a

revenue of US\$ 15.14 billion by 2024 according to Statistica. This surge is propelled by India's robust economic performance and an uptick in merger and acquisition endeavours. Yet, the market anticipates a slight slowdown ahead, with a projected Compound Annual Growth Rate (CAGR) of -1.96% from 2024 to 2028. Nevertheless, India maintains its significance on the global investment banking landscape, albeit trailing behind the US, which is projected to reach a staggering revenue of US\$ 119.10 billion in 2024. As India continues to navigate this dynamic landscape, its investment banking sector remains a vital component of the nation's financial ecosystem.

The Indian equity market is also in the spotlight for its IPO action. In 2023, India surged ahead as the global frontrunner in the number of IPOs (EY report). The fourth quarter of 2023 alone saw a remarkable 72% rise in IPOs compared to the corresponding period in 2022, highlighting a vibrant market landscape. Leading this surge were sectors like Power & Utilities, Health, Automotive & Transportation, and Banking & Capital Markets, indicating a diverse range of industries contributing to the IPO boom.

Asset management

India's Alternative Investment Funds (AIFs) are attracting high net-worth investors seeking superior returns. As of December 2023, AIFs surpassed ₹ 10 trillion in investment commitments, a 40% year-over-year jump. These funds offer a broader range of investment options compared to traditional vehicles, attracting investors with a minimum investment of ₹ 1 cr. Data from SEBI shows ₹ 4.3 trillion has already been raised, with a focus on debt and equity investments (Category II AIFs) accounting for ₹ 3.1 trillion.

The Assets Under Management (AUM) of domestic mutual funds (MFs) soared by an impressive 35% in FY24, marking the highest growth rate since FY21. According to AMFI annual data, the AUM reached a historic high of ₹ 53.40 lakh cr as of March 2024, compared to ₹ 39.42 lakh cr in March 2023, with an increase of nearly ₹ 14 lakh cr over the last fiscal year. The AUM of Portfolio Management Services (PMS) has also witnessed remarkable growth, more than doubling over the past five years. From ₹ 15.40 lakh cr in January 2019, it surged to ₹ 32.22 lakh cr as of January 2024. PMS offerings provide tailored advice, focussed mandates, and access to specialised tools, contributing to their increasing popularity and expanding AUM.

COMPANY OVERVIEW

Monarch Network Capital Limited (hereafter referred as 'MNCL' or 'the Company') is a prominent player within the Indian financial services industry. The firm has garnered three decades of experience in developing and implementing innovative financial products and strategies. This rich heritage has positioned Monarch Network Capital as a leading and reliable provider of financial services with a strong presence across 100+ cities in 20+ states through 55 branches and 2,80,000+ registered clients, 900+ business associates.

Over the years, Monarch Network Capital Limited has strategically expanded its offerings beyond pure stock broking services. Today, the Company provides a comprehensive suite of financial products and services to cater to its clients' diverse needs. The core offerings of the Company include retail broking - the long-standing original business, wealth and third-party product distribution, global access, institutional equities, investment banking, and asset management. This comprehensive approach ensures that clients have access to a wide range of financial solutions, all supported by a team of experienced research experts, robust infrastructure, and well-defined processes.

The Company attributes its progress to its 'customer-first' approach, which has always been its priority. Actively engaging with clients has enabled the Company to understand their unique financial needs and goals. This commitment fosters long-lasting relationships built on trust and personalised service.

The Company's dedication to client success is reflected in its core values:

- **Simplified Investing:** Strive to make investing accessible and intuitive, empowering individuals to confidently navigate the financial landscape.
- **Rewarding Opportunities:** Identify and offer a diverse range of investment solutions with the potential for positive returns. Many of the relatively new businesses were set up as we felt there were gaps in servicing our existing clients.
- **Domain Insights:** The team of experienced employees provides insightful research and analysis to guide informed investment decisions.
- **Comprehensive Solutions:** Extensive product portfolio allows us to tailor financial strategies that align with each client's specific objectives.

Further, MNCL leverages technology to enhance the customer experience. The Company actively deploys technological advancements for client acquisition, improved customer activation, and streamlined business processes. This commitment to technological innovation ensures a seamless and efficient experience for its valued clientele. Technology is a major area of investment and engages top management attention significantly.

OPPORTUNITIES AND THREATS

Opportunities

- **Favourable long-term economic prospects** create fertile ground for growth in financial services.
- **A rising share of consumer spending** bodes well for the financial services industry.
- **Streamlined regulations** encourage wider participation from all investor demographics.
- **Technology adoption** optimises best practices and processes within the Company.
- **Strategic corporate activity** like mergers, acquisitions, and restructuring presents opportunities for corporate advisory services.

Threats

- **Challenges in Execution:** In the event of any lapse in execution of processes and strategies, overall operations will be impacted.
- **Economic Downturn:** A short-term economic slowdown could negatively impact investor confidence and overall business activity.
- **Constrained Global Liquidity:** A decrease in global liquidity flows could limit access to capital.
- **Heightened Competition:** Competition from established local and global players in the financial services industry is intensifying.
- **Shifting Investment Trends:** Market trends favouring alternative investment options may lead clients to explore avenues beyond core offerings.

RISK MANAGEMENT & INTERNAL CONTROL SYSTEM

As per the Provisions of Section 134(3) of the Companies Act, 2013 ('the Act') the Company as a part of the Board's Report needs to give a statement indicating development and implementation of a

risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. Additionally, as per Listing Obligations and Disclosure Requirement Regulations, 2015 requires the Company to lay down procedures about the risk assessment and risk minimisation.

The Company is exposed to specific risks that are particular to its business and the environment within which it operates including economic cycle, market risks, competition risk, interest rate volatility, human resource risk and execution risk, etc. The Company mitigates these risks by enhancing its technological capabilities in surveillance mechanism and by following prudent business and risk practices and adhering to standard policies and procedures adopted for risk management.

Compliance Risk & Responsive strategies: Monarch Network Capital has established a dedicated department staffed with experienced professionals in compliance, corporate governance, legal, and audit functions. This robust team plays a vital role in guiding business units and support functions on all regulatory matters. They ensure adherence to current regulations and circulars through continuous monitoring and implementation. This comprehensive approach safeguards proper governance, reporting practices, and adherence to regulatory requirements across the entire Group.

Furthermore, Monarch Network Capital is committed to combating money laundering. The Company has implemented a robust system of controls and procedures, including:

- Business-specific compliance manuals
- Limit monitoring systems
- Anti-Money Laundering (AML) and Know Your Customer (KYC) policies
- Enhanced risk-based supervision systems

These policies and procedures are thoroughly communicated to all employees through compliance manuals and circulars. Additionally, in its broking business, the Company has implemented robust surveillance and risk management systems to further strengthen its compliance framework.

Through this proactive approach, Monarch Network Capital fosters a culture of ethical conduct and ensures compliance with regulatory requirements, building trust and safeguarding the Company's reputation.

Human Resource Risk & Responsive strategies:

The Company recognises the significance of a well-managed human resource department. MNCL continuously strives to align its HR practices with evolving business needs. The Company actively promotes a strong culture of transparency and service orientation within the organisation.

The Group prioritises the well-being of its employees by implementing people-centric policies and adopting best practices in HR management, including, but not limited to, health insurance. This commitment includes providing comprehensive training programmes on job functions and compliance-related topics.

Furthermore, the HR department ensures strict adherence to all statutory labour laws and relevant regulations. In addition, thorough background screening procedures are implemented to minimise risks associated with new hires. These proactive measures contribute to building a strong and reliable workforce, essential for the Company's continued success.

Reputation Risk & Responsive strategies:

At Monarch Network Capital, ethical conduct is paramount. The Company empowers operating managers to reject substandard business opportunities, prioritising long-term success over quick fixes. This commitment is further solidified by its comprehensive employee code of conduct and trading guidelines, applicable to all staff.

Rigorous monitoring ensures adherence to these policies, with disciplinary actions in place for any deviations. This unwavering dedication to ethical practices serves a dual purpose: safeguarding its reputation and building trust with the clients.

The Company understands that reputational risk is a critical concern. MNCL proactively addresses any situation that could potentially damage its standing. Events with the potential for negative impact are handled with utmost caution, ensuring complete compliance and alignment with the core values. Through this vigilance, the Company fosters a culture of integrity and transparency, earning the trust of clients and stakeholders.

Risk Culture & Responsive strategies:

Risk management is a cornerstone of MNCL's business strategy. The Company has cultivated a strong risk culture that encourages a comprehensive approach to identifying and managing risks across the entire organisation. Through continuous investment in

people, processes, and technology, it strives to mitigate potential risks arising from both external factors and borrower behaviour.

A dedicated risk management team works in tandem with its robust credit operations structure to ensure timely identification and mitigation of risks. This proactive approach minimises potential impact on the Company's growth and performance. The Company has developed the capability to detect early warning signs of financial stress, and established processes for corrective and remedial actions. This ensures MNCL maintains control and minimises potential damage. In essence, the Company's proactive risk management framework safeguards its resilience and paves the way for sustained success.

Rigorous Oversight and Internal Controls: The Board of Directors and Audit Committee works collaboratively to ensure regular reviews of the Company's risk management policies. This oversight ensures management effectively controls risk through clearly defined protocols.

Recognising that MNCL operates in a highly regulated industry, the Company leverages the inherent risk management measures embedded within the regulatory framework. The Company further strengthens its risk management posture by engaging an independent firm of Chartered Accountants to conduct comprehensive internal audits. These audits are reported regularly to the Audit Committee, providing an additional layer of scrutiny.

Further, the Company maintains a robust internal control system. This system safeguards company assets against unauthorised use or mismanagement. It further ensures that all transactions are:

- **Authorised:** Only authorised personnel can initiate and approve transactions.
- **Recorded:** All financial transactions are accurately captured and documented.
- **Reported:** Financial information is reported accurately and in a timely manner.

Through these comprehensive measures, the Company ensures:

- **Compliance:** Adherence to all applicable laws, regulations, listing requirements, and management regulations.

- **Accuracy:** Financial transactions are properly recorded and verified.
- **Standards:** The Company's financial reporting adheres to recognised accounting standards and policies.

By prioritising strong governance and robust internal **controls, MNCL fosters trust within stakeholders and** builds confidence in the accuracy and integrity of the Company's financial reporting.

Addressing Economic and Business Risks: The Indian capital market's performance is directly linked to the nation's economic growth and political stability. While the Company's growth projections appear promising, potential downside risks remain. These include the pace and shape of the global recovery, the impact of scaling back fiscal stimulus, and rising commodity prices.

The Company's business performance may also be affected by:

- **Intensified competition:** An influx of local and global players in the Indian market heightens competition.
- **Regulatory shifts:** Evolving regulations can necessitate adjustments to business practices.
- **Employee turnover:** High employee attrition rates can disrupt operations.

Meeting the Challenge of Competition: The Company recognises the growing number of advisory firms offering combined services and funding options, creating a competitive landscape. To address this, the Company continuously strives to provide superior customised services that cater to the clients' specific needs.

Mitigating Risk in a Financial Services Environment: Effective risk management is paramount in the financial services industry. MNCL is actively involved in managing credit risk, liquidity risk, and interest rate risk. The Company has implemented robust mechanisms to effectively mitigate these risks.

Through well-developed management information system, the Company continuously analyses and reviews all potential risks at various management levels. This proactive approach ensures timely identification and mitigation of risks, safeguarding the Company's financial health and sustainability.

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

Consolidated total income went up by 41.1% YoY, profit after tax 161%, and net worth 43.3%. The robust revenue performance was due to all-round better outcome of all businesses – old and new – partly due to market buoyancy and largely due to the efforts taken in the last five years to reorient our businesses to become more focussed and more nimble. Profitability did better than the top-line because of cost control, particularly employee expenses, without compromising at all on employee welfare.

(₹ in Lakhs unless otherwise specified)

Particulars	FY24	FY23
Revenue from Operations	25,964.44	15,592.22
PBT	16,409.53	5,792.54
PAT	12,314.98	4,297.25
Total Comprehensive Income for the year	12,300.06	3,864.24
EPS (₹)	36.36	12.69

Key highlights of the Segment-wise financial performance is summarised below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
a) Broking and Related Services				
1) Fees and commission income	12,792.00	7,986.00	12,792.00	7,986.00
2) Interest Income	7,198.84	4,515.52	7,198.84	4,515.52
3) Merchant Banking & Other Services	4,386.43	1,844.90	4,386.43	1,844.90
4) Asset Management Services	899.49	217.88	899.49	217.88
5) Others (Un-allocated)	1,903.14	563.07	1,903.10	565.88
b) Non-Banking financial business	-	-	825.91	1,095.20
c) Insurance business	-	-	168.26	133.00
Total	27,179.90	15,127.37	28,174.03	16,358.49

HUMAN RESOURCES/INDUSTRY RELATIONS

In the service industry, particularly financial services, a skilled and motivated workforce is paramount. Recognising this, MNCL prioritises its human capital by implementing robust HR practices. The Company offers on-going training and motivational programmes to ensure the staff reaches their full potential and delivers exceptional client service.

- Investing in People:** Monarch Network Capital recognises that human capital is the cornerstone of success in the service industry, especially financial services. The Company fosters a healthy HR environment that prioritises continuous learning and development for its staff. Through training and motivational initiatives, the Company empowers its

employees to reach their full potential and deliver exceptional service to clients.

- A Thriving Workplace:** The Company provides a stimulating and supportive work environment that encourages innovation and collaboration. This commitment to employee well-being fosters a culture of excellence, ensuring the team is well-equipped to tackle any challenge and drives the Company towards achieving its mission with unwavering success.
- Strong Business Relationships:** Monarch Network Capital actively cultivates positive and productive relationships within the industry. This proactive approach strengthens its reputation and enhances the Company's overall creditworthiness.

ENVIRONMENTAL ISSUES

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

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

Particulars	FY24	FY23
RoE jump consequent on the sharp increase in net profit as explained above	43.4%	16.6%

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the Company's operation. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities etc. over which the Company does not have any control.

BUSINESS RESPONSIBILITY SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L65920GJ1993PLC120014
2. Name of the Listed Entity	Monarch Network Capital Limited
3. Year of incorporation	1993
4. Registered office address	Unit No. 803-804A, 8 th Floor, X-Change Plaza, Block No. 53, Zone 5, Road- 5E, Gift City, Gandhinagar, Gujarat, India - 382355
5. Corporate address	Ahmedabad: Monarch House, Opp. Prahladbhai Patel Garden, Near Ishwar Bhuvan, Commerce Six Road, Navrangpura, Ahmedabad-380009 Mumbai: 4 th Floor, Laxmi Tower, Bandra-Kurla Complex, Mumbai, Maharashtra, India - 400 009
6. E-mail	cs@mnclgroup.com
7. Telephone	+91 22-4321 1800 / +91 22-6202 1600
8. Website	www.mnclgroup.com
9. Financial year for which reporting is being done	FY 2023-2024 (April 2023 - March 2024)
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Limited
11. Paid-up Capital	₹ 33,86,95,180
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Nitesh Tanwar, Company Secretary and Compliance Officer Email: nitesh.tanwar@mnclgroup.com Telephone: 022-66476405
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a standalone basis.
14. Name of assurance provider	Not applicable
15. Type of assurance obtained	Not applicable

II. Product/Services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial and insurance service	Financial Advisory, brokerage and Consultancy Services	92.99%
2.	Financial and insurance service	Other financial activities	7.01%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Broking	9971	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	-	25	25
International	-	-	-

19. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	12
International (No. of Countries)	-

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers

Monarch Network Capital Limited (MNCL) is an integrated technology-based Financial Services Sector Organization offering a wide range of services including retail and institutional broking, financial products distribution. Our customers include resident and non-resident individuals, HUF's, corporates, etc. MNCL execute transactions in capital markets/ equity derivatives/ commodity derivatives/ currency derivatives segments on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, institutional investors, foreign institutional investors, financial institutions and corporate clients.

IV. Employees

20. Details as at the end of financial year:

a. Employees (including differently abled):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No.(B)	%(B/A)	No.(C)	%(C/A)
EMPLOYEES						
1.	Permanent (D)	395	318	80.50%	77	19.50%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D+E)	395	318	80.50%	77	19.50%

*The Company does not employ any workers owing to the nature of the business.

b. Differently abled Employees:

Sr. No.	Particulars	Total	Male		Female	
		(A)	No.(B)	%(B/A)	No.(C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent(D)	2	2	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D+E)	2	2	100%	-	-

21. Participation/Inclusion/Representation of women:

	Total Number and percentage of Females		
	(A)	No.(B)	%(B/A)
Board of Directors	6	2	33.33%
Key Management Personnel	2	-	0.00%

22. Turnover rate for permanent employees:

(Disclose trends for the past 3 years)

	FY 2024			FY 2023			FY 2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31%	46%	34.06%	33%	35%	34.45%	21%	22%	22.22%

V. Holding, Subsidiary and Associate companies (including joint ventures)

23. a. Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Monarch Network Capital IFSC Private Limited	Subsidiary	100%	No
2.	Monarch Network Finserve Private Limited	Subsidiary	100%	No
3.	Monarch Network Investment Advisors Private Limited	Subsidiary	100%	No

VI. CSR Details

24. (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No):** Yes. (for more information, please refer to Annexure III of the Board's report)

(ii) **Turnover (in ₹):** 27,180 lakhs

(iii) **Net worth (in ₹):** 32,357 lakhs

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	-	-	NA	-	-	NA
Investors (other than shareholders)	Yes; https://www.mnclgroup.com/investor-relation/investor-relation-investors-grievance	-	-	NA	-	-	NA
Shareholders	Yes, the Company provides a channel to address any issues or complaints raised by its shareholders. For more information, the weblink is as follows: www.scores.gov.in/admin	1	-	NA	-	-	NA
Employees	Yes; At MNCL, we have Grievance redressal mechanism in place for our employees. The weblink is as follows: https://www.mnclgroup.com/investor-relation/investors-grievance	-	-	No grievances recorded. Complaints if any, to be shared at hr@mnclgroup.com & the same is resolved in 48 hours	-	-	No grievances recorded. Complaints if any, to be shared at hr@mnclgroup.com & the same is resolved in 48 hours
Customers	Yes https://www.mnclgroup.com/pdf/Grievances_Escalation_Matrix_may2024.pdf	-	-	NA	-	-	NA
Value Chain Partners	No	-	-	NA	-	-	NA

26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Data Security & Customer privacy	Risk & Opportunity	The Company's technology infrastructure is expanding, heightening the risk of privacy breaches and data security vulnerabilities.	The Company has implemented an extensive Information Security Management System to safeguard its systems and protect information. This helps mitigate potential material financial impacts.	<p>Positive: Automation of several manual processes, leading to cost saving. Increased trust and credibility across all stakeholders including customers. Improved data management Protect brand reputation.</p> <p>Negative: Data breaches pose a threat to the Company's reputation and can result in litigation and financial risks.</p>
2.	Customers Literacy	Opportunity	Indians traditionally lean towards saving money and investing in secure instruments. However, increasing financial literacy can broaden horizons and provide new investment perspectives.	<p>Educated customers provide valuable feedback and insights that can inform the development of new products and services.</p> <p>Understanding customer needs and preferences enables the Company to innovate and stay ahead of the competition.</p>	<p>Positive: Empowers Customer to assess and manage financial risks effectively. Reduce the Company's exposure to risk.</p>
3.	Digitisation	Opportunity	The demand for digital transactions is steadily increasing, driven by low-cost internet data, widespread smartphone penetration, and India's biometric identity card system.	The Company consistently invests in technology to improve and implement a digital environment within the organization to minimize reliance on paper-based transactions and communications.	<p>Positive: Cost effectiveness & larger customer reach & service through digital operations. Paperless & environment friendly.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Human Capital	Risk and Opportunity	<p>Human Capital is one of the key strategic imperative for the Company and we consistently invest in the growth & development and alignment of employees to the Company growth strategy. We work on building an inclusive workplace and embracing diversity fostering innovative practices for improved business outcomes and increased employee satisfaction.</p> <p>Risk of failure in any of the elements of talent management can impact the Company's ability to fulfil demand and grow its revenues. Poor employee well-being can result in increased absenteeism, decreased productivity, and higher healthcare costs. Lack of diversity and inclusion in the workplace can lead to difficulty attracting and retaining top talent.</p>	The Company prioritizes robust people practices aimed at fostering overall employee growth. This includes health and wellbeing initiatives, adherence to fair pay norms, equal opportunity for all and extensive training programmes.	<p>Positive: By focusing on human capital development, the Company can enhance operational efficiency and drive innovation.</p> <p>Negative: Neglecting human capital management can lead to higher turnover rates, increased recruitment costs, and elevated training expenses.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Corporate Social Responsibility	Opportunity	<p>MNCL believes in a philosophy of adopting sustainable business practices which are beneficial to the various stakeholders including the society. Through its corporate values, MNCL constantly endeavours' to actively contribute to the social and economic development of the communities in which it operates.</p> <p>MNCL has always believed in giving back to the society and recognized its role and responsibility as a corporate citizen. The Company has social values ingrained into its culture and manner of working.</p>	The Company recognizes the importance of being socially responsible and making a difference in lives of people. The company invests in social welfare activities focused on health, education, woman empowerment and sustainability development by making contribution to various NGO's.	<p>Positive: Commitment to Social welfare increases customer retention and loyalty, increases employee engagement, improves brand image, attracts investment opportunities and top talent.</p>
6.	Business Continuity	Risk	Business Continuity is critical for the company in case of any crisis during any disaster or technical glitches.	We have robust processes and technology in place to ensure that business process can run as usual after recovery from any sort of disaster.	<p>Negative: Reputation Risk, Business loss and Customer dissatisfaction.</p>

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes
c. Web Link of the Policies, if available.	P1 - Whistle Blower Policy P3 - Nomination and Remuneration Policy P4 - Whistle Blower Policy P5 - Sexual Harassment Policy P7 - Grievance policy P8 - Corporate Social Responsibility Policy P9 - Cyber Security & Cyber Resilience Policy								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners?	Currently, we have not identified any value chain partners. However, as we progress, we are committed to extending our initiatives to include our value chain partners, ensuring alignment and collaboration across the entire value chain.								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The national and international codes/certifications/labels/ standards are as follows: ISO 9001:2008 ISO/IEC 27001:2005								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	No targets have been established at this time, but MNCL plans to set measurable targets in the upcoming years, reflecting our commitment to continuous improvement and sustainable growth.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The Company recognizes the crucial link between sustainability and financial goals, thereby seamlessly integrating ESG factors into its business and operations. The Company is committed to implementing a robust ESG strategy in collaboration with all stakeholders.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr Gaurav Bhandari Chief Executive Officer gaurav.bhandari@mnclgroup.com								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes; the Risk Management Committee & CSR Committee are responsible for decision making on sustainability related issues								

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Board of Directors and its Committees meet periodically to evaluate the Company's performance across various aspects, including adherence to NGRBC Principles where relevant.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with relevant statutory requirements aligned with its principles, proactively rectifying any instances of non-compliance																	
	Quarterly																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No) If yes provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
The independent assessment and evaluation of the policies are currently in process, and our senior management regularly reviews these policies.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	Yes	NA	NA	NA	Yes	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPAL WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year.**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	Throughout the year, the Independent Directors at the Company spent an average of 10 workforce hours participating in various familiarization programmes.	Familiarization programmes	50%
Key Managerial Personnel	-	-	NA
Employees other than BoD and KMPs	1	Training on prevention of Sexual Harassment at workplace	95%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
	Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	-	-	-	-	
Punishment	-	-	-	-	

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in case where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The MNCL Group strictly forbids any of its officers or employees from offering bribes or any other form of inducement, including kickbacks, as a means to influence any part of a contract payment or to provide improper benefits to customers, agents, contractors, suppliers, employees of any such party, or Regulatory, Exchange, or Government officials. Furthermore, the MNCL Group does not permit any of its officers or employees to accept gifts, except as outlined in the Employees Code of Conduct and Business Ethics. The aforesaid policy is as follows: Whistleblower policy

5. Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024	FY 2023
Directors	-	-
KMPs	-	-
Employees	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2024		FY 2023	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	NA	-	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	NA	-	NA

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No such incidents have been reported in FY 2023-24.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024	FY 2023
Number of days of accounts payables*	8	13

*Account Payables consist of trade payables for expenses.

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024	FY 2023
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	NA	NA
	b. Number of dealers distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	14.23%	Not Available
	b. Sales (Sales to related parties/ Total Sales)	2.72%	Not Available
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	NA	NA
	d. Investments (Investments in related parties/ Total Investments made)	NA	NA

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
---	--	--

No Awareness programs were conducted for Value Chain partners.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If yes, provide details of the same.

The Company demonstrates its commitment to integrity and transparency through its Code of Conduct for the Board of Directors and Senior Management Personnel. This code mandates that Directors and Senior Management uphold a stringent avoidance of any engagements in business, relationships, or activities that could potentially lead to a conflict-of-interest conflicting with the Company's interests.

To uphold this principle, the Company diligently gathers disclosures from its Directors in accordance with Sections 149 and 184 of the Companies Act, 2013. These disclosures encompass details about any entities in which the Director has an interest or concern, including their shareholding, if applicable.

In accordance with the Company's policy on the materiality of related party transactions and their handling, entities in which a director holds an interest or concern are categorised as related parties of the Company. Prior to engaging in transactions with such related parties, the Company committee/Board ensures the necessary approvals are obtained.

PRINCIPLE 2: Business should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024	FY 2023	Details of improvements in environmental and social impacts
R&D	-	-	NA
Capex	-	-	NA

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No

b. If yes, what percentage of inputs were sourced sustainably?

Since the organization operates within the financial services sector, this is not relevant.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) **Plastics (including packaging):** Not Applicable

(b) **E-waste:** The Company ensures responsible disposal of e-waste generated during its operations. All e-waste is handed over to a licensed scrap vendor authorized for e-waste disposal. The vendor provides a disposal certificate confirming that the materials obtained from MNCL have been disposed of in accordance with current municipal guidelines and pollution control board norms.

(c) **Hazardous waste:** Not Applicable

(d) **other waste:** Not Applicable

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024	FY 2023
Not Applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024			FY 2023		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						
Not Applicable						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3: Business should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by											
	Total (A)		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)		
Permanent employees												
Male	318	318	100%	-	-	-	-	318	100%	-	-	
Female	77	77	100%	-	-	77	100%	-	-	-	-	
Total	395	395	100%	-	-	77	100%	318	100%	-	-	
Other than Permanent employees												
Male	-	-	-	-	-	-	-	-	-	-	-	
Female	-	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	-	

b. Details of measures for the well-being of workers:

The Company does not employ any workers owing to the nature of the business.

c. Spending on measures towards well-being of employees (including permanent and other than permanent) in the following format-

	FY 2024	FY 2023
Cost incurred on well-being measures as a % of total revenue of the company	0.15%	0.38%

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2024			FY 2023
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	85%	Yes	88.60%	Yes
Gratuity	99%	Yes	99%	Yes
ESI	19%	Yes	23.83%	Yes
Others, Please specify	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company holds a profound dedication to promoting equal opportunity and human rights, striving to create a workplace that is safe, inclusive, and supportive for everyone. In its commitment to accessibility for individuals with disabilities, the Company has implemented initiatives such as ensuring easy access to elevators and ramps. These efforts mirror the Company's dedication to respecting and accommodating the needs of its employees, fostering an environment where everyone can feel comfortable and empowered. Additionally, the Company firmly believes in nurturing a workplace culture that celebrates diversity and offers equal opportunities for all to thrive.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, we follow a policy whereby strong emphasis is placed on the principle of equal opportunity for all employees.

MNCL places a strong emphasis on the principle of equal opportunity for all employees, recognizing its pivotal role in the sustained success of the Company. In adherence to existing laws, the Company's policy of non-discrimination ensures that individual will not engage in any discriminatory practices against any employee or job applicant on the basis of race, disability, colour, creed, religion, gender, age, national origin, ancestry, citizenship, or any non-job-related factors. This commitment extends to all aspects of employment, including but not limited to hiring, promotion, demotion, training, benefits, transfers, layoffs, terminations, recommendations, salary, and other forms of compensation. MNCL's primary consideration is the qualifications and job requirements of individuals.

The Company's overarching policy is to ensure Equal Employment Opportunity for all employees and applicants, thereby promoting a workplace free from discrimination. MNCL firmly opposes discrimination in all forms, with a particular focus on ensuring that qualified individuals with disabilities are provided with the opportunity to perform essential job functions, with or without reasonable accommodations. In cases where an employee requires a reasonable accommodation to fulfil the essential functions of their role or to access various aspects and benefits of employment, the Company encourages employees to communicate their needs to their manager or HR. This process ensures that the Company remains committed to supporting employees in their requests for reasonable accommodations without prejudice.

5. Return to work and Retention rates of permanent employees that took parental leave.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	-	-
Female	100%	100%
Total	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.

Yes/No (If yes, then give details of the mechanism in brief)	
Permanent Employees	<p>Yes, the Company has an Anti-Sexual Harassment Policy tailored for its managerial staff, along with a Vigil Mechanism & Whistle-Blower Policy. These measures ensure that employee grievances are promptly and impartially registered and resolved.</p> <p>Any other grievances, can be raised through email on hr@mncgroup.com and the same is resolved within 48 hours. Timely update is shared with the employee pertaining to the status of the existing grievances.</p>
Other than Permanent Employees	Not Applicable

7. Membership of employees in association(s) or Unions recognised by the listed entity:

The Company does not have any employee's association. However, the Company acknowledges and respects the right to freedom of association, and it does not discourage or impede collective bargaining.

Category	FY 2024			FY 2023		
	Total employees in respective category (A)	No. of employees in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees in respective category (C)	No. of employees in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

8. Details of training given to employees:

Category	FY 2024				FY 2023					
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	318	-	-	-	-	314	-	-	-	-
Female	77	-	-	-	-	72	-	-	-	-
Total	395	-	-	-	-	386	-	-	-	-

*Note: The organization provides financial assistance by reimbursing any course pursued by the employee on clearing the said examination, e.g. – NISM, CFA etc.

9. Details of performance and career development reviews of employees.

Category	FY 2024			FY 2023		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	315	279	88.57%	311	267	85.85%
Female	76	62	81.57%	71	57	80.28%
Total	391	341	87.21%	382	324	84.81%

Note: There are periodic reviews of all employees by the line managers. Further, performance assessment of all new joiners is monitored in the third & sixth month of their joining.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes, an occupational health and safety management system has been diligently implemented by MNCL. This system is meticulously designed to ensure the well-being and safety of all employees within the workplace. The system encompasses comprehensive protocols, regular assessments, and continuous improvement which helps to minimize risks and promote a healthy work environment across the Company. The Company's commitment for occupational health and safety makes it a safe and happy place to work.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The entity utilizes a robust set of processes to systematically identify work-related hazards and assess risks, both on a routine and non-routine basis. These processes include:

- i. **Hazard Identification:** Regular workplace inspections, safety audits, and hazard reporting mechanisms are employed to identify potential hazards. Employees are encouraged to report any safety concerns arise promptly. At MNCL we have CCTV monitoring and active Fire Alarm System (FAS) in place and we do the testing of the system along with the scheduled maintenance which is documented and shared with the head admin for information and records. For hazard identification, security personnel are on hand to manage and mitigate any risks that may arise during an emergency. Their presence ensures a prompt and effective response, safeguarding the safety of all individuals and assets.
- ii. **Risk Assessment:** Once hazards are identified, thorough risk assessments are conducted to evaluate the likelihood and potential severity of each risk. This involves analysing factors such as the nature of the hazard, exposure levels, and existing control measures.
- iii. **Continuous Improvement:** The entity fosters a culture of continuous improvement by regularly reviewing and updating hazard identification and risk assessment processes. Feedback from employees, and external stakeholders is incorporated to enhance the effectiveness of safety measures.

By employing these comprehensive processes, the entity ensures proactive hazard identification and risk management, thereby enhancing workplace safety and protecting the well-being of its employees.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

The Company operates in the financial services sector and does not have workers; therefore, this is not applicable.

d. Do the employees of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, the employees of MNCL are provided access to non-occupational medical and healthcare services. The Company recognizes the importance of supporting the overall health and well-being of its workforce beyond occupational health and safety concerns. This includes facilitating access to medical services such as providing Health insurance, availability of medical kit, and conducting wellness programmes.

By offering access to non-occupational medical and healthcare services, the Company demonstrates its commitment to supporting the holistic health of its employees, promoting a positive work-life balance, and catering a caring and supportive workplace environment.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024	FY 2023
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
Total recordable work-related injuries	Employees	-	-
No. of fatalities	Employees	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company implements several measures to ensure a safe and healthy workplace environment for all employees. These measures include:

1. **Workplace Inspections and Audits:** Routine workplace inspections and safety audits are conducted to identify potential hazards, assess risks, and ensure compliance with safety regulations and standards.
2. **Health and Wellness Programs:** The Company promotes employee health and wellness through initiatives such as wellness programs, access to healthcare services and etc.
3. **Workplace Condition:** MNCL maintains a high standard of workplace hygiene by utilizing premium chemicals, tissues, soaps, and sanitizers, supported by a team of well-trained housekeeping professionals.

By implementing these measures, the entity demonstrates its commitment to providing a safe and healthy workplace environment where employees can perform their duties without undue risk to their health and well-being.

13. Number of Complaints on the following made by employees:

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	1	-	Refer Note below	-	-	NA
Health & Safety	-	-	NA	-	-	NA

Note: Related to proper availability of seating arrangements

14. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	None
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)

No

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

- i. **Contractual Obligations:** The Company includes clauses in contracts with value chain partners specifying their responsibility to deduct and deposit statutory dues, such as taxes, employee provident fund (EPF), employee state insurance (ESI), and goods and services tax (GST).

- ii. Vendor Assessment and Due Diligence: The Company conducts thorough assessments and due diligence of its value chain partners to ensure their compliance with statutory requirements, including their track record of deducting and depositing statutory dues.
- iii. Regular Monitoring : The Company implements regular monitoring mechanisms of its value chain partners to verify compliance with statutory requirements.

By implementing these measures, the entity seeks to ensure that its value chain partners fulfil their obligations to deduct and deposit statutory dues in a timely and compliant manner, thereby mitigating risks associated with non-compliance and promoting transparency and accountability across the value chain.

3. Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024	FY 2023	FY 2024	FY 2023
Employees	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Currently, these parameters are not explicitly assessed or measured.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Business should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The process of identifying key stakeholder groups within the entity involves recognizing individuals, groups, or institutions that significantly contribute to the business chain of the Corporation. This includes Employees, Clients/Customers, Shareholders, Regulatory bodies and the beneficiaries of CSR projects.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	One-on-one interactions, e-mail, senior management meetings, internal communication platforms	Quarterly, annually, need based	Facilitate career development, ensure fair compensation and benefits, reinforce work ethics and policies, and foster effective communication and team building among employees
Clients/ customers	No	Branch assistance, website, advertisements, newspapers and other digital platforms, customer helplines and toll-free numbers.	Ongoing and need-based	Provide superior customer service throughout the life cycle, address client needs and concerns, and gather feedback to improve services.
Shareholders	No	E-mails, SMS, newspapers, advertisement, notices, website, Annual General meeting, intimation to stock exchanges, annual reports.	At least quarterly and need-based	Keep shareholders informed about Company developments, performance, and industry trends, address shareholder concerns and grievances, provide transparency and accountability in corporate operations
Regulatory bodies	No	E-mails, one-on-one meetings, conference calls, video conferencing and websites	Need-based	Engage in discussions regarding approvals, circulars, guidelines, suggestions, amendments, and other regulatory matters, and ensure compliance with applicable laws and regulations
Beneficiaries of CSR projects	Yes	Partnership with local Charities and community visits.	Quarterly and need-based	Monitor and implement CSR projects and activities, ensure alignment with community needs and expectations.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

In the MNCL's effort to enhance communication about its performance and strategies to stakeholder, the Company places strong emphasis on continuous and proactive engagement with its stakeholders. The Board receives regular updates on various developments, with Directors encouraged to provide feedback on these updates.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

No

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

At MNCL, community engagement is very crucial. We are committed to driving community development by taking various initiatives. We actively listen to and address community concerns, ensuring they are met with proactive dialogue and effective solutions, empowering those we serve.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024			FY 2023		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees / covered (D)	% (D/C)
Employees						
Permanent	395	395	100%	386	386	100%
Other than permanent	-	-	-	-	-	-
Total Employees	395	395	100%	386	386	100%

2. Details of minimum wages paid to employees, in the following format:

Category	FY 2024						FY 2023					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage			
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)		
Employees												
Permanent												
Male	318	127	40%	191	60%	314	146	47%	168	53%		
Female	77	40	52%	37	48%	72	44	61%	28	39%		
Other than Permanent												
Male	-	-	-	-	-	-	-	-	-	-		
Female	-	-	-	-	-	-	-	-	-	-		

3. Details of remuneration/ salary/ wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Executive Directors	2	92,06,870.5	1	21,37,980
Independent Directors*	2	NA	1	NA
Key Managerial Personnel	2	2,90,60,752	-	NA
Employees other than BoD and KMP	314	4,18,237	76	2,40,900

*The Independent Directors are compensated solely through sitting fees for their attendance at Board or Committee meetings, whether in person or via VC/OAVM.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024	FY 2023
Gross wages paid to females as % of total wages	13%	15%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, MNCL has a POSH committee in place which acts as a focal point and is responsible for addressing human rights impact and also has implemented crucial policies like the Anti-sexual Harassment Policy and Whistle-blower Policy to uphold these values. The Human Resources team acts as the primary point of contact for human rights issues. They diligently ensure that all members of the organisation receive consistent briefings and education on these policies, fostering heightened awareness and compliance.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company demonstrates a firm commitment to upholding human rights, fostering a culture of non-discrimination within its workforce, and providing avenues for addressing grievances from its key stakeholders. The Company's Code of Conduct is developed to uphold and promote human rights principles, ensuring full compliance with the Constitution of India, national laws, and policies governing human rights. Central to the Company ethos is the preservation of dignity and respect of all stakeholders and customers, a principle held in the highest regard. With established policies on Whistle-blower protection and Prevention of Sexual Harassment of Women at the workplace, the Company addresses human rights issues comprehensively, striving to promote the fundamental rights and freedoms of individuals. Moreover, rigorous measures are in place to prevent common human rights violations, such as discrimination, violence, forced labour, and privacy infringements, ensuring a workplace environment aligned with ethical standards and legal requirements.

6. Number of Complaints on the following made by employees:

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	NA	NA	-	NA	NA
Discrimination at workplace	-	NA	NA	-	NA	NA
Child Labour	-	NA	NA	-	NA	NA
Forced Labour/Involuntary Labour	-	NA	NA	-	NA	NA
Wages	-	NA	NA	-	NA	NA
Other human rights related issues	-	NA	NA	-	NA	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024	FY 2023
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- Confidentiality: The Company ensures that the identity of the complainant is kept confidential to the extent possible, especially during the investigation process.
- Non-Retaliation Policies: MNCL ensures that there is no retaliation against individuals who report discrimination or harassment. This includes protection from any adverse actions such as termination, demotion, or harassment as a result of filing a complaint.
- Supportive Environment: MNCL fosters a culture that encourages reporting and supports complainants. This is done through effective training programs and visible commitment from leadership to take complaints seriously and address them promptly.

- iv. Independent Investigation: In case there is complaint registered, MNCL conducts thorough and impartial investigations into complaints of discrimination or harassment. This ensures that findings are fair and unbiased, reducing the likelihood of adverse consequences for the complainant.
- v. Alternative Reporting Channels: Provide multiple channels for reporting complaints, including options for anonymous reporting if possible. This gives individuals more flexibility and reduces the fear of retaliation.
- vi. Training and Education: MNCL regularly conducts training for employees for employees and managers on preventing discrimination and harassment, recognizing the signs, and responding appropriately. This empowers everyone in the organization to contribute to a safe and respectful workplace.
- vii. Legal Protections: Ensure that complainants are aware of their legal rights and protections under relevant laws and Company policies. This includes protections against retaliation and access to legal recourse if necessary.
- viii. Follow-Up and Monitoring: After resolving a complaint, follow up with the complainant to ensure they are not facing any ongoing issues or retaliation. Monitor the workplace environment to detect any signs of retaliation or recurrence of discriminatory behaviour.
- ix. Documentation and Record-Keeping: MNCL maintains thorough records of complaints, investigations, and actions taken. This documentation can provide evidence of due diligence in addressing complaints and can be crucial in legal proceedings if needed.
- x. Accountability: Hold individuals accountable for discriminatory behaviour or retaliation through disciplinary actions when necessary. This sends a clear message that such behaviour will not be tolerated.

By implementing these mechanisms, MNCL enables in creating a safer and more supportive environment for individuals to come forward with complaints of discrimination and harassment, knowing that their well-being and rights will be protected.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

10. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	-
Forced/involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others-please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks/ concerning arising from the assessments at Question 10 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not Applicable

2. Details of the scope and coverage of any Human rights due-diligence conducted.

During the year, no human rights due-diligence was conducted by the Company.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Company places utmost importance on human rights, striving to establish a safe and inclusive environment for all individuals. Several initiatives like installing elevators and ramps for enhanced accessibility, have been introduced to assist individuals with disabilities. Furthermore, these endeavours reflect the Company commitment to ensuring that every employee feels appreciated and can navigate the workplace with convenience and confidence.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	Not assessed.
Forced/involuntary labour	
Sexual harassment	However, the Company expects its value chain partners to adhere to equivalent values, beliefs, and business ethics in all the Company interactions.
Discrimination at workplace	
Wages	
Others-please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 24	FY 23
From renewable sources			
Total electricity consumption (A)	GJ	-	-
Total fuel consumption (B)	GJ	-	-
Energy consumption through other sources (C)	GJ	-	-
Total energy consumed from renewable sources (A+B+C)	GJ	-	-
From non-renewable sources			
Total electricity consumption (D)	GJ	1384	1201.32
Total fuel consumption (E)	GJ	-	-
Energy consumption through other sources (F)	GJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	GJ	1384	1201.32
Total energy consumed (A+B+C+D+E+F)	GJ	1384	1201.32
Energy intensity per million rupee of turnover (Total energy consumption/ turnover in rupees)		0.51	0.79
Energy intensity per million rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)*		11.41	17.61
Energy intensity in terms of physical output		-	-
Energy intensity (in terms of full time employees)- the relevant metric may be selected by the entity		3.50	3.11

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No

*The revenue from operations has been adjusted for PPP based on the PPP conversion factor for the FY-2023 and 2024 published by International Monetary Fund (IMF) for India which is 22.17 and 22.4 respectively.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024	FY 2023
Water withdrawal by source (in kilolitres)		
(i) Surface Water	-	-
(ii) Ground Water	-	-
(iii) Third Party Water	57.60	57.60
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	57.60	57.60
Total volume of water consumption (in kilolitres)	57.60	57.60
Water intensity per million rupee of turnover (Total Water consumption / Revenue from operations)	0.02	0.04
Water intensity per million rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)*	0.47	0.84
Water intensity in terms of physical output	-	-
Water intensity (in terms of full time employees) – the relevant metric may be selected by the entity	0.15	0.15

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

*The revenue from operations has been adjusted for PPP based on the PPP conversion factor for the FY-2023 and 2024 published by International Monetary Fund (IMF) for India which is 22.17 and 22.4 respectively.

4. Provide the following details related to water discharged:

Parameter	FY 2024	FY 2023
Water discharge by destination and level of treatment (in kilolitres)		
i) To surface water	NA	NA
- No treatment	NA	NA
- With treatment-please specify level of treatment	NA	NA
ii) To Groundwater	NA	NA
- No treatment	NA	NA
- With treatment-please specify level of treatment	NA	NA
iii) To Seawater	NA	NA
- No treatment	NA	NA
- With treatment-please specify level of treatment	NA	NA
iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment-please specify level of treatment	NA	NA
v) Others	NA	NA
- No treatment	NA	NA
- With treatment-please specify level of treatment	NA	NA
Total water discharge (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024	FY 2023
NOx	Microgram /cubic meter ($\mu\text{g}/\text{m}^3$)	Data Not Available	
Sox	Microgram /cubic meter ($\mu\text{g}/\text{m}^3$)		
Particulate matter (PM)	Microgram /cubic meter ($\mu\text{g}/\text{m}^3$)		
Persistent organic compounds (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-please specify			

*Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.*

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024	FY 2023
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Not Available	Not Available
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Not Available	Not Available
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		Not Available	Not Available
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

*Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.*

No

MNCL is not currently tracking its GHG emissions but is shall look forward to report in the upcoming years.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

MNCL has not undertaken any projects specifically focused on reducing greenhouse gas emissions. However, we are actively exploring opportunities to initiate such initiatives in the future, aligning with our commitment to sustainability and environmental stewardship.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024	FY 2023
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	-	-
Construction and demolition waste (D)	NA	NA
Battery waste (E)*	Not Available	Not Available
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)		
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	-	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i) Recycled	-	-
ii) Re-used	-	-
iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i) Incineration	-	-
ii) Landfilling	-	-
iii) Other disposal operations	-	-
Total	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No

*The Company is not tracking the Battery waste in terms of MT at the moment. But shall look forward to report the values in upcoming years.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company is committed to the responsible disposal of e-waste generated during its operations. All e-waste is handed over to a licensed and authorized scrap vendor who specializes in e-waste disposal and strictly adheres to all relevant regulations. The vendor provides a certificate confirming that the materials from Monarch have been disposed of in compliance with current municipal guidelines and pollution control board norms.

The existing battery waste was responsibly handed over to the approved vendor under a buyback arrangement which ensures proper disposal and aligns with our environmental sustainability practices.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. no.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N)
If no, the reasons thereof and corrective action taken, if any.			
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility/ plant located in areas of water stress, provide the following information:

- i) Name of the area
- ii) Nature of operations
- iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024	FY 2023
Water withdrawal by source (in kilolitres)		
i) Surface Water	NA	NA
ii) Ground Water	NA	NA
iii) Third Party Water	NA	NA
iv) Seawater / desalinated water	NA	NA
v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		

Parameter	FY 2024	FY 2023
i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No

MNCL is a financial solution provider, hence the above indicator is not applicable to our business. None of our premises are located in water stressed areas.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024	FY 2023
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover		NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	LED Lighting	At MNCL, our offices/premises have LED lighting which consumes only 10% electricity as compared to conventional lighting.	Reduces our energy consumption, leading to lower operational costs and a smaller carbon footprint.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Although our company does not yet have a formal Business Continuity and Disaster Management Plan in place, we are committed to evaluating our requirements and developing a strategy to ensure preparedness for potential disruptions in the future.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not Applicable

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

One

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Association of Mutual Funds in India (AMFI)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Not Applicable	

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Applicable					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable					

3. Describe the mechanisms to receive and redress grievances of the community.

As the Company does not engage in operations directly impacting the community, this is not applicable to the Company. Additionally, the Company's CSR activities are conducted in collaboration with various NGOs and agencies.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024	FY 2023
Directly sourced from MSMEs/ small producers	-	-
Directly from within India	-	-

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024	FY 2023
Rural	NA	NA
Semi-urban	NA	NA
Urban	2%	1%
Metropolitan	98%	99%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (INR In Lacs)
None of our CSR projects falls/designated under aspirational districts.			

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable group? (Yes/ No)

The Company actively encourages procurement from small business units seeking social upliftment. However, owing to the nature of the business, the Company does not currently have a specific preferential procurement policy in place.

b. From which marginalized /vulnerable groups do you procure?

Not Applicable

c. What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. Intellectual Property based No. on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. CSR Project No		No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Contribution towards promoting education & health rural area	Not ascertained	100%
2.	Contribution towards promoting education, sustainability & Women empowerment	Not ascertained	100%

Note: The details of number of beneficiaries cannot be ascertained as the company spends required funds on CSR activities through implementing agencies i.e. trust or societies.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The grievance policy implements a system to manage complaints, aiming for prompt resolution and equitable treatment for clients. Complaints undergo thorough analysis to identify root causes, enabling efficient handling and timely responses within designated timelines. Moreover, clients are informed of their rights and provided with alternative remedies as part of the Company commitment to transparency and client satisfaction. Furthermore, clients are encouraged to lodge their complaints or provide feedback via the Company designated email address: grievances@mnclgroup.com

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2024		Remarks	FY 2023		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	NA	-	-	NA
Advertising	-	-	NA	-	-	NA
Cyber-security	-	-	NA	-	-	NA
Delivery of essential services	-	-	NA	-	-	NA
Restrictive Trade Practices	-	-	NA	-	-	NA
Unfair Trade Practices	-	-	NA	-	-	NA

4. Details of instances of product recalls on account of safety issues:

Number	Reasons for recall
Voluntary recalls	Not Applicable
Forced recalls	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes; MNCL has a documented policy on Cyber security & Cyber Resilience in place, the weblink are as follows: Cyber Security & Cyber Resilience Policy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There were zero instances on issues relating to advertising and delivery of essential services.

7. Provide the following information relating to data breaches:

- a. **Number of instances of data breaches :** Nil
- b. **Percentage of data breaches involving personally identifiable information of customers:** 0%
- c. **Impact, if any, of the data breaches:** Not Applicable

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information regarding products and other services is available on the Company website at: <https://www.mnclgroup.com/product-services>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

The Company ensures compliance with all disclosure requirements pertaining to its products and services. This commitment involves strict adherence to the product labelling guidelines outlined by AMFI/SEBI within risk and disclosure categories.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

In the event of any planned or unplanned disruption of services related to its digital platforms (e.g., website), the Company promptly informs its clients about the cause of the unavailability and provides an estimated time for resolution. Additionally, the Company proactively notifies customers of the availability of alternative channels for continued service.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the Company upholds transparency and ensures customers or clients can access all relevant information. Product communication is conducted through various channels like SMS, emails, and other platforms. Additionally, detailed product information is accessible on the Company website at: <https://www.mnclgroup.com/product-services>

As for conducting surveys regarding consumer satisfaction, the Company has not carried out any such survey during 2023-24.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
MONARCH NETWORK CAPITAL LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of **MONARCH NETWORK CAPITAL LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive income, statement of cash flows, and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit / Loss and cash flows for the year ended on that date.

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

Key audit matters	How the matter was addressed in our Audit
<p>Information Technology system for the financial reporting process</p> <p>The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis.</p> <p>Further, the Company's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items such as Brokerage income, Trade receivable ageing amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.</p>	<p>In view of the significance of the matter we applied the following audit procedures, on test check basis, in this area, among others to obtain reasonable audit assurance:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's IT environment and identified IT applications, databases and operating systems, for the areas which are relevant to our audit. Sample verification of the key transactions was carried out to verify the effectiveness of the IT environment in the company. • Obtained understanding of IT infrastructure i.e. operating systems and databases supporting the identified systems and related data security controls in relation to large number of users working on the entity's systems remotely.

BASIS FOR OPINION

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

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

KEY AUDIT MATTERS

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

Key audit matters

Further, the prevailing COVID-19 situation has caused the required IT applications to be made accessible to the employees on a remote basis.

How the matter was addressed in our Audit

- Management has given us reasonable assurance about the existence of the suitable IT controls and their persistent review and monitoring of the performance and issues arising on IT matters on a periodic basis.
- Reliance is also placed on the independent system audit carried out by the external agencies, as per the mandate of the regulators.

Expected credit loss allowances

Recognition and measurement of impairment of financial assets involve significant management judgement. With the applicability of Ind AS 109, credit loss assessment is now based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are loan staging criteria, calculation of probability of default / loss and consideration of probability weighted scenarios and forward-looking macroeconomic factors. There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed. *As per management opinion, there is no expected credit loss in several financial assets including the trade receivables and other financial assets of the Company and all are on fair value, based on the assessment and judgement made by the board of the company.*

In view of the significance of the matter we applied the following audit procedures, on test check basis, in this area, among others to obtain reasonable audit assurance:

- We evaluated management's process and tested key controls around the determination of extent of requirement of expected credit loss allowances, including recovery process & controls implemented in the company for trade receivables and other financial assets. It was explained to us by the management that the control exists relating to the recovery of receivables, including those aging for large periods and in the opinion of the board there is no requirement making expected credit loss allowance.
- We have also reviewed the management response and representation on recovery process initiated for sample receivables, and based on the same we have place reliance on these key controls for the purposes of our audit.

Deferred Tax Assets

Recognition and measurement of deferred tax assets
The Company has deferred tax assets in respect of temporary differences and MAT credit entitlements.

The recognition of deferred tax assets involves judgment regarding the likelihood of the reasonable certainty of realisation of these assets, in particular whether there will be taxable profits in future periods that support recognition of these assets.

Management records deferred tax assets in respect of MAT credit entitlements, temporary differences and brought forward business losses in cases where it is reasonably certain based on the presumed profitability determined on the basis of management estimation that sufficient taxable income will be available to absorb the differed tax assets in future.

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain reasonable audit assurance:

- Through discussions with management, we understood the Company's process for recording deferred tax assets;
- Discussed with the management about the basis of the management estimations of the future revenue for the reasonable certainty of utilisation of the deferred tax assets and therefore recognition of deferred tax assets; and
- Accordingly based on the projected business plan made by the management, for the purpose of recognition of deferred tax assets in the financial statements, the asset provision seems to be reasonable.

Key audit matters

Investment and Loans to group companies

The Company has investments in group company and associates which are considered to be associated with significant risk in respect of valuation of such investments. These investments are carried at cost. Management has given us confirmation that the investments are reviewed for impairment at each reporting date. This assessment is based on the presumed future financial performance of these underlying entities, which involve significant estimates and judgment, due to the inherent uncertainty involved in forecasting future cash flows. There is significant judgment in estimating the timing of the cash flows and the appropriate discount rate.

In addition, considering the materiality of the investments in group companies, vis-à-vis the total assets of the Company, this is considered to be significant to our overall audit strategy and planning.

The Company has also extended loans to group entities and related parties that are assessed for recoverability at each period end.

Balances of Various Financial Assets and Liabilities

Refer Note No. 49 to the financial statements which describes that the balance of Receivables and Payables, including Trade Receivables, loans, deposits & advances given as well as taken, payable to vendors, etc, are subject to confirmation and consequent reconciliation and adjustments, if any. Hence, the effect thereof, on Profit/Loss, Assets and Liabilities, if any, is not ascertainable.

How the matter was addressed in our Audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain reasonable audit assurance:

- Comparing the carrying amount of investments with the relevant group entity's balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those entities have historically been profit-making;
- For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the profitability estimation by the management of these group entities;
- Understanding the return prospects from the group entities, based on discussion with the management; and
- Obtained independent confirmations to ensure completeness and existence of loans and advances held by related parties as on reporting date.

We evaluated the management procedure and tested key controls employed by the management to review over the reconciliation and recoverability of the long outstanding assets and payability of long outstanding liabilities. Based on the explanations and representations provided by the management, it was explained to us that the Board is carrying out a regular review of balances of all outstanding assets and liabilities, based on the formal/ informal arrangements with the respective parties involved. As per their opinion, there will be no substantial impact on their reconciliation with their balance confirmations. Based on the same, we have placed reliance on these key controls for the purposes of our audit.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

- a. The Company does not have any pending litigations which would impact its financial position, other than those mentioned in Note 39 to 41 (Contingent Liabilities) to the Standalone financial statements;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- e. As stated in Note 15(d) to the standalone financial statements
- (i) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (ii) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- f. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

Amit Saklecha
(Partner)
M. No.: 401133
UDIN: 24401133BKADTP3300

Place: Mumbai
Date: May 24, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

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

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

(II) IN RESPECT OF ITS INVENTORIES

- (a) Inventory represents securities (in Demat form) held as stock-in-trade in course of acting as a merchant banker and market maker for the acquired equity shares and on account of error in execution of transaction. As explained to us, inventories have been verified and reconciled during the year by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. As represented by the company, no discrepancies were noticed on verification of inventories by the management as compared to book records.
- (b) As disclosed in note 72 to the standalone financial statements and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the audited/unaudited books of account of the Company.

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

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

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

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

(Amount in ₹ in lakhs)		
Loan Provided	Subsidiary, JV & Associate	Others
A. Aggregate amount granted/ provided during the year	11.57	9,451.90
B. Balance outstanding as at balance sheet date in respect of above cases	14.29	19,342.28

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

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

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

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

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

(Amount in ₹ in lakhs)		
Loans	All Parties	Related Parties
Aggregate amount of loans repayable on demand	19,356.57	14.29
Percentage of loans to the total loans	100.00%	0.07%

- (iv) According to the information and explanations given to us and based on our examination of the records of the Company, in respect of loans, investments, guarantees and security given/ made by the company, during the year, the company has complied with the provisions of section 185 & 186 of the Companies Act, 2013.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts, covered under the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Further no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal on the company. Hence, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/ or services provided by it). Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the company.

(VII) IN RESPECT OF STATUTORY DUES:

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

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

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

Name of Statue	Amount (₹ in Lakhs)	Period to which the amount related	Forum where dispute Pending
Service Tax	15.14	F.Y.2002-03 to F.Y.2006-07	Pending With Service Tax Tribunal with Joint Commissioner of Service Tax
Service Tax	7.24	F.Y.2005-07	Pending With Commissioner (Appeals) of Service Tax
Service Tax	13.52	F.Y.2004-07	Pending With Commissioner (Appeals) of Service Tax
Service Tax	29.03	F.Y.2007-08	Pending With Commissioner (Appeals) of Service Tax
Service Tax	10.88	F.Y.2007-08	Pending With Commissioner (Appeals) of Service Tax
Service Tax	87.81	F.Y.2014-15	Pending With Commissioner (Appeals) of Service Tax
GST	21.02	F.Y.2017-18	Appeal Filed with Appellate Authority
GST	15.55	F.Y.2017-18	Appeal Filed with Appellate Authority
GST	20.31	F.Y.2017-18	Appeal Filed with Appellate Authority
GST	0.42	F.Y.2018-19	Notice u/s 73
GST	18.41	F.Y.2018-19	Notice u/s 73
GST	0.19	F.Y.2019-20	Notice u/s 73
TDS	70.61	F.Y.2007-08 to F.Y.2020-21	-
Income Tax	45.15	A.Y. 2011-12	First Appellate Authority
Income Tax	19.55	A.Y. 2019-20	Intimation order 143(1)
Income Tax	1.29	A.Y. 2021-22	Intimation order 143(1)
Income Tax	0.79	A.Y. 2021-22	Intimation order 143(1)

(includes the dues pertaining to Monarch Network Comtrade Limited, Monarch Research & Brokerage Pvt Ltd, Monarch Projects & Finmarket Ltd, Network Wealth Solutions Ltd, Network Commodities & Investments Ltd, Network Softtech Ltd, since merged with Company)

- (viii)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)** (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared as a willful defaulter by any bank or financial institution or government or any government authority during the year.
- (c) According to the information and explanations given to us and on the basis of our overall examination of the standalone financial statements of the Company, the term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes during the year by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the company.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (f) of the Order is not applicable to the Company.
- (x)** (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has complied with the requirements of section 42 and section 62 of the Companies Act, 2013, in respect of the preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) made during the year and the funds raised have been prima facie used for the purposes for which the funds were raised.
- (xi)** (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report
- (c) We have taken into consideration the whistle-blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) The Company is not a nidhi Company. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv)(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly,

the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year or in the in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due

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

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

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

Amit Saklecha
(Partner)
M. No.: 401133
UDIN: 24401133BKADTP3300

Place: Mumbai
Date: May 24, 2024

ANNEXURE B TO AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **MONARCH NETWORK CAPITAL LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in general, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting

were found operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company. However the same needs to be further improved and formally documented in view of the size of the company and nature of its business, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Amit Saklecha
(Partner)
M. No.: 401133
UDIN: 24401133BKADTP3300

Place: Mumbai
Date: May 24, 2024

STANDALONE STATEMENT OF BALANCE SHEET

as on March 31, 2024

CIN:L65920GJ1993PLC120014

(Currency: Indian Rupees in Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property Plant and Equipment	2	1,238.47	797.42
Intangible Assets	3	2.19	2.19
Financial assets			
- Investments	4	3,249.17	3,630.66
- Other Financial Assets	5	1,757.61	1,364.42
Deferred tax assets (Net)	6	107.68	109.47
Non-current Tax Assets (Net)	7	414.80	313.49
Total Non Current Assets		6,769.91	6,217.65
Current assets			
Inventories	8	553.81	1,283.60
Financial assets			
- Trade Receivables	9	8,011.17	4,232.01
- Cash and cash equivalents	10	790.18	2,454.32
- Balances other than Cash and cash equivalents	11	44,532.81	34,571.46
- Loans	12	19,342.28	9,890.38
- Other Financial Assets	13	14.29	2.72
Non Financial assets			
- Other Non-Financial Assets	14	409.03	321.23
Total Current Assets		73,653.57	52,755.72
Total Assets		80,423.48	58,973.36
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	15	3,386.95	3,386.95
Other equity	16	28,969.69	17,223.05
Total Equity		32,356.65	20,610.00
Non-current liabilities			
Financial liabilities			
- Borrowings	17	195.16	35.26
Non-Financial liabilities			
- Provisions	18	292.34	225.11
Total Non Current Liabilities		487.50	260.36
Current liabilities			
Financial liabilities			
- Borrowings	19	12,978.50	56.04
- Trade payables	20	29,325.61	32,476.51
- Other financial Liabilities	21	4,593.28	5,287.63
Non-Financial liabilities			
- Current Tax Liabilities (Net)	22	-	62.45
- Provisions	23	244.13	142.35
- Other non-financial Liabilities	24	437.81	78.02
Total Current Liabilities		47,579.34	38,103.00
Total Liabilities		80,423.48	58,973.36

Significant Accounting Policies

1

Notes to the financial statements

2 to 80

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

As per our Report of even date

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

Amit Saklecha

(Partner)
M.No. 401133
UDIN: 24401133BKADTP3300
Place : Mumbai
Date: May 24, 2024

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Gaurav Bhandari
(Chief Executive Officer)

Place : Mumbai
Date: May 24, 2024

Manju Bafna
(Whole-Time Director)
Din: 01459885

Nitesh Tanwar
(Company Secretary)
Membership No: F10181

Place : Mumbai
Date: May 24, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS

as on March 31, 2024

(Currency: Indian Rupees in Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
INCOME			
Revenue From Operations	25		
(a) Interest Income		7,198.84	4,515.52
(b) Fees and Commission Income		12,792.00	7,986.00
(c) Merchant banking & Other Advisory services		4,386.43	1,844.90
(d) Asset Management Services		899.49	217.88
Total Revenue From Operations		25,276.76	14,564.30
Other Incomes	26		
(a) Net gain on fair value changes		1,108.55	437.76
(b) Profit & Loss on sale of investments		696.18	-
(c) Other Income		98.41	125.34
Total Income		27,179.90	15,127.40
EXPENSES			
Employee benefit expenses	27	4,225.03	4,895.85
Fees and commission expenses	28	2,729.97	2,157.28
Finance Costs	29	1,576.75	733.29
Depreciation & Amortization Expenses	2	173.60	112.40
Other Expenses	30	2,955.21	2,507.90
Total Expenses		11,660.57	10,406.73
Profit Before Exceptional Items, Extraordinary Items And Tax		15,519.33	4,720.67
Less: Prior Period expenses		(4.74)	(0.22)
Less: Extraordinary Items			
Profit Before Tax		15,514.59	4,720.45
Tax Expenses			
Current Tax		3,808.90	1,210.62
Deferred tax		6.82	8.16
Taxes for earlier years		47.48	17.87
Total Tax Expenses		3,863.20	1,236.64
Profit for the Year (After Tax)		11,651.39	3,483.81
Other Comprehensive Income	31		
Items that will not be reclassified to profit or loss			
(i) Remeasurement gain/losses on defined benefit plans		(19.94)	4.18
(ii) Equity Instruments through other comprehensive Income		-	(436.07)
(iii) Income tax related to items that will not be reclassified to profit or loss		5.02	(1.05)
Total Comprehensive Income for the year		11,636.47	3,050.87
Earnings Per equity share of face value of ₹10 each			
Basic (in ₹)	32	34.40	10.29
Diluted (in ₹)	32	34.40	10.29

Significant Accounting Policies 2 to 80

Notes to the financial statements

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

As per our Report of even date

For **PAREKH SHAH & LODHA**

Chartered Accountants
(Firm Reg. No. 107487W)

Amit Saklecha

(Partner)
M.No. 401133
UDIN: 24401133BKADTP3300
Place : Mumbai
Date: May 24, 2024

For and on behalf of the Board

Vaibhav Shah

(Managing Director)
Din:00572666

Gaurav Bhandari

(Chief Executive Officer)

Place : Mumbai
Date: May 24, 2024

Manju Bafna

(Whole-Time Director)
Din: 01459885

Nitesh Tanwar

(Company Secretary)
Membership No: FI0181

Place : Mumbai
Date: May 24, 2024

CASH FLOW STATEMENT

For The Year Ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash flow from operating activities		
Profit before tax from continuing operations	15,514.59	4,720.45
Profit/(loss) before tax from discontinued operations		
Profit before tax	15,514.59	4,720.45
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and amortisation	173.60	112.40
Finance cost	1,576.75	733.29
Employee Compensation Expenses	448.87	
Other Interest incomes	(94.84)	(103.64)
Dividend Income	(12.70)	(7.35)
(Profit) / loss on sale of fixed assets	(1,802.75)	
Remeasurements of the defined benefit plans	(19.93)	4.18
	15,783.60	5,459.34
Working capital adjustments		
Inventories	729.79	(293.32)
Trade receivables	(3,779.16)	(87.23)
Balances other than Cash and cash equivalents	(9,961.35)	6,439.94
Loans	(9,451.90)	(6,780.65)
Other Financial Assets	(11.57)	275.00
Other Non-Financial Assets	(189.11)	160.59
Trade payables	(3,150.90)	(8,804.32)
Provisions	169.01	83.94
Other financial liabilities	(694.35)	1,006.84
Other non-financial Liabilites	359.80	(126.75)
	(10,196.15)	(2,666.63)
Income Tax paid	(3,918.84)	(1,355.54)
Net cash flows from operating activities	(14,114.99)	(4,022.16)
Cash flow from investing activities		
Payment for purchase and construction of property, plant and equipment (Net of proceeds from sales)	(614.65)	(404.64)
Proceeds from sale of Investments	2,184.24	(1,315.93)
Other Interest incomes	94.84	103.64
Dividend Income	12.70	7.35
Proceeds /(Repayment) of Other Non Current Financial Assets	(393.19)	54.77
Proceeds /(Repayment) of loans & advances to related parties	-	(1.05)
Net cash flows from investing activities	1,283.93	(1,555.86)

CASH FLOW STATEMENT

For The Year Ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash flow from financing activities		
Proceeds from issue of share capital & Others		1,521.79
Proceeds /(Repayment) of borrowings from banks/ FI	13,082.37	(1,417.73)
Dividend Paid	(338.70)	
Finance charges paid	(1,576.75)	(733.29)
Net cash flows from financing activities	11,166.92	(629.23)
Net increase / (decrease) in cash and cash equivalents	(1,664.13)	(6,207.25)
Cash and cash equivalents at the beginning of the year	2,454.32	8,661.57
Effect of exchanges rate changes on cash and cash equivalents		
Cash and cash equivalents at the end of the year	790.18	2,454.32
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	790.18	2,454.32
Cash and Cash equivalents as restated as at the year end	790.18	2,454.32

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

As per our Report of even date

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

Amit Saklecha

(Partner)
M.No. 401133
UDIN: 24401133BKADTP3300
Place : Mumbai
Date: May 24, 2024

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Gaurav Bhandari
(Chief Executive Officer)

Place : Mumbai
Date: May 24, 2024

Manju Bafna
(Whole-Time Director)
Din: 01459885

Nitesh Tanwar
(Company Secretary)
Membership No: FI0181

Place : Mumbai
Date: May 24, 2024

STATEMENT OF CHANGES IN EQUITY

For The Year Ended March 31, 2024

(A) EQUITY SHARE CAPITAL

(Currency: Indian Rupees in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	338.70	3,386.95	310.50	3,104.95
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	338.70	3,386.95	310.50	3,104.95
Changes in equity share capital during the year			28.20	282.00
Balance at the end of the reporting period	338.70	3,386.95	338.70	3,386.95

(B) OTHER EQUITY

Particulars	Reserves & Surplus					Other comprehensive income		Total
	Capital Reserve	Securities Premium	Share Warrant	Retained earnings	Share Based Payment Reserve	Remeasurements of the net defined benefit Plans	Fair valuation of investments in equity shares	
Balance at March 31, 2022	151.64	3,475.69	538.20	8,348.39		(17.59)	436.07	12,932.39
Profit for the year	-	-	-	3,483.81	-	-	-	3,483.81
Other comprehensive income for the year	-	-	-	-	-	3.13	(436.07)	(432.94)
Dividend Declared during the year	-	-	-	(310.50)	-	-	-	(310.50)
Share Warrants converted to equity shares	30.60	1,748.40	(538.20)	-	-	-	-	1,240.80
Employee Compensation Expenses recognised during the year	-	-	-	-	309.49	-	-	309.49
Total additions for the year	30.60	1,748.40	-538.20	3,173.31	309.49	3.13	(436.07)	4,290.66
Balance at March 31, 2023	182.24	5,224.09	-	11,521.70	309.49	(14.46)	-	17,223.05
Profit for the year	-	-	-	11,651.39	-	-	-	11,651.39
Other comprehensive income for the year	-	-	-	-	-	(14.92)	-	(14.92)
Dividend Declared during the year	-	-	-	(338.70)	-	-	-	(338.70)
Share Warrants converted to equity shares	-	-	-	-	-	-	-	-
Employee Compensation Expenses recognised during the year	-	-	-	-	448.87	-	-	448.87
Total additions for the year	-	-	-	11,312.69	448.87	-14.92	-	11,746.64
Balance at March 31, 2024	182.24	5,224.09	-	22,834.40	758.36	-29.39	-	28,969.69

As per our Report of even date

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

Amit Saklecha

(Partner)
M.No. 401133
UDIN: 24401133BKADTP3300
Place : Mumbai
Date: May 24, 2024

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Gaurav Bhandari

(Chief Executive Officer)

Place : Mumbai
Date: May 24, 2024

Manju Bafna

(Whole-Time Director)
Din: 01459885

Nitesh Tanwar

(Company Secretary)
Membership No: F10181

Place : Mumbai
Date: May 24, 2024

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

1.1 COMPANY INFORMATION

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

SIGNIFICANT ACCOUNTING POLICIES

1.2 BASIS OF PREPARATION

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

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

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

1.2.3 Functional and presentation currency:

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

1.2.4 Current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

1.2.5 Revenue recognition

Service Income

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

Interest income

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

Dividends

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

1.2.6 Property, plant and equipment

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

derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

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

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

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided using the written down method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirements of Schedule II of the Act. The estimate of the useful life of the assets has been assessed based on technical advice which considered the nature of the asset, the usage of the asset, expected

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

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

1.2.7 Intangible Assets

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

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

Amortisation methods, estimated useful lives and residual value

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

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

1.2.8 Impairment of non-financial assets

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

Recoverable amount is determined:

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast

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calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

1.2.9 Leases- Company as a lessee

Policy applicable with effect from April 1, 2019

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

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

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

The Company recognised right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any

lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

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

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

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any

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reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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

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

Transition to Ind AS 116

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

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

Company as a lessee

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

On transition, the Company has applied following practical expedients:

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

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

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1.2.10 Borrowing costs

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

1.2.11 Financial instruments

A. Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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. instruments measured at fair value through other comprehensive income ('FVTOCI')

Financial asset at amortised cost

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

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

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

Financial asset at FVTOCI

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

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

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

Financial instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization

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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 AS 103 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;

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

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

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

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

1. Trade receivables or contract revenue receivables; and
2. All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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

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

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

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

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

B. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and 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.

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Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of profit and loss when

the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

Financial guarantee contracts

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

Derecognition

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

C. Off-setting of financial instruments

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

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realise the assets and settle the liabilities simultaneously.

D. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

1.2.12 Taxes

Current income tax

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

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

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

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the 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.

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

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

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

1.2.13 Inventories

Inventories are valued at the Market Value.

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

1.2.14 Employee benefits

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

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

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

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

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

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

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

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

Long-term employee benefits

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

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term benefits are charged to the statement of other comprehensive income.

1.2.15 Cash and cash equivalents

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

1.2.16 Segment accounting:

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

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

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

1.2.17 Business Combination under Common Control

Business combinations under common control are accounted for using the pooling of interest method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the

acquisition and the identifiable assets acquired and liabilities assumed are recognised at carrying value on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for net identifiable assets acquired and liabilities assumed.

1.2.18 Provisions, Contingent liabilities, Contingent assets and Commitments:

General

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

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

Contingent liability is disclosed in the case of:

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

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

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1.2.19 Earnings per share

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

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

1.2.20 Use of estimates and judgments

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

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

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

Recognition of deferred tax assets

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

Classification of assets and liabilities into current and non-current

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

Impairment of assets

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

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

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

Defined benefit obligation (DBO)

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

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obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Share based payments

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

Fair value measurements

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

1.2.21 Statement of cash flows

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

1.2.22 Fair value measurement

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

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

the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to

be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 2 PROPERTY, PLANT & EQUIPMENT

Particulars	Air Conditioners	Computer Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Buildings (leasehold Improvement)	Office Premises	Total
Gross Carrying Amount								
As at April 1, 2022 (A)	87.12	468.18	124.24	216.09	124.98	13.51	-	1,034.11
Additions	2.17	96.71	0.17	22.86	22.67	63.13	196.97	404.67
Deletions	-	0.70	-	-	-	-	-	0.70
As at March 31, 2023 (B)	89.29	564.18	124.41	238.95	147.65	76.63	196.97	1,438.08
Additions	47.93	66.57	24.05	403.43	66.32	-	8.00	616.29
Deletions	0.26	1.48	0.32	11.60	3.02	-	-	16.68
As at March 31, 2024 (C)	136.96	629.27	148.14	630.78	210.94	76.63	204.97	2,037.70
Accumulated Depreciation								
As at April 1, 2022 (D)	43.29	284.75	61.63	67.39	71.84	0.04	-	528.93
Depreciation for the period	15.90	45.60	8.35	20.36	15.87	3.53	2.78	112.40
Deletions	-	0.67	-	-	-	-	-	0.67
As at March 31, 2023 (E)	59.19	329.69	69.99	87.75	87.71	3.57	2.78	640.67
Depreciation for the period	21.45	58.84	10.10	42.46	24.28	13.08	3.40	173.60
Deletions	0.24	1.23	0.12	11.12	2.32	-	-	15.04
As at March 31, 2024 (F)	80.39	387.30	79.96	119.08	109.67	16.65	6.19	799.23
Net Block								
As at March 31, 2023 (B) - (E)	30.10	234.49	54.43	151.21	59.94	73.06	194.18	797.42
As at March 31, 2024 (C) - (F)	56.57	241.97	68.18	511.70	102.27	58.99	198.78	1,238.47

Notes:

1. Title deeds of Immovable Properties held in name of the Company

The Company holds immovable property (Office Premises) in its name & the title deeds are clear from any encumbrances.

2. Revaluation of PPE

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 3 INTANGIBLE ASSETS

Particulars	Computer Software
Gross Carrying Amount	
As at April 1, 2022 (A)	11.42
Additions	-
Deletions	-
As at March 31, 2023 (B)	11.42
Additions	-
Deletions	-
As at March 31, 2024 (C)	11.42
Accumulated Depreciation	
As at April 1, 2022 (D)	9.24
Amortisation for the period	-
Deletions	-
As at March 31, 2023 (E)	9.24
Amortisation for the period	-
Deletions	-
As at March 31, 2024 (F)	9.24
Net Block	
As at March 31, 2023 (B) - (E)	2.19
As at March 31, 2024 (C) - (F)	2.19

Notes:

1. Revaluation of Intangible assets

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

NOTE: 4 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current Investments		
A. Investments in other equity instruments measured at Fair Value through Profit or Loss (Quoted)		
- Sadbhav Engineering Limited (1,310 (Previous year: 1,310)) equity shares of ₹ 1 each, fully paid up)	0.24	0.24
- Bombay Stock Exchange Limited (NIL (Previous year: 13,329)) equity shares of ₹ 2 each, fully paid up)	-	0.01
- Deep Industries Limited (600000 (Previous year: 300000)) equity shares of ₹ 5 each, fully paid up)	684.30	684.30
- Rattanpower India Limited (2,29,000 (Previous year: 2,29,000)) equity shares of ₹ 10 each, fully paid up)	70.42	70.42
	754.96	754.97

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
B. Investment in Mutual/Other Funds (Quoted)		
- Monarch Network Capital Limited Compounder Fund	-	236.54
- Monarch Network Capital Limited Compounder Fund AIF - I	1,000.00	1,000.00
	1,000.00	1,236.54
Total Quoted investments (A+B)	1,754.96	1,991.51
C. Investment in equity of subsidiaries (Unquoted, fully paid-up)		
- Monarch Network Finserve Private Limited (96,66,666 (Previous year: 96,66,666) Equity Shares of ₹10 each fully paid up)	1,429.22	1,429.22
- Monarch Network Capital IFSC Private Limited (49,999 (Previous year: 49,999) Equity Shares of ₹10 each fully paid up)	5.00	5.00
- Monarch Network Money Changer Private Limited (NIL (Previous year:5,00,000) Equity Shares of ₹10 each fully paid up)	-	50.00
- Monarch Network Investment Advisory Private Limited (5,99,900 (Previous year: 5,99,900) Equity Shares of ₹10 each fully paid up)	59.99	59.99
	1,494.21	1,544.21
D. Investment in Associate Company (Unquoted, fully paid-up)		
Investment in Network Financial Service Limited (NIL (Previous year: 9,49,400) equity shares of ₹ 10 each, fully paid up)	-	94.94
	-	94.94
Total Unquoted investments in equity of Subsidiaries and Associate (C+D)	1,494.21	1,639.15
Total Investments	3,249.17	3,630.66
Aggregate amount of quoted investments and market value there of	1,754.96	1,991.51
Aggregate amount of unquoted investments	1,494.21	1,639.15
Total	3,249.17	3,630.66

NOTE: 5 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured considered good unless stated otherwise :		
a. Security Deposits		
Deposit with Stock Exchange & Financial Institutions *	234.05	265.05
Additional Base capital with Clearing Member	466.00	-
b. Other Deposits		
Deposits for Arbitration/Assessment Order**	252.99	252.36
Deposits for Office Premises	798.86	838.11
Deposits for Telephone, VSAT, Electricity etc.	5.70	8.89
Total	1,757.61	1,364.42

Notes:

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 6 DEFERRED TAX ASSET (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
The movement on the deferred tax account is as follows:		
At the start of the year	109.47	118.68
Charge/(credit) to statement of Profit and Loss	(1.80)	(9.21)
At the end of the year	107.68	109.47
Total	107.68	109.47

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

NOTE: 7 NON-CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with Revenue Authorities (net of provisions)	414.80	313.49
Total	414.80	313.49

NOTE: 8 INVENTORIES

Particulars	As at March 31, 2024	As at March 31, 2023
Stock in Trade*	553.81	1,283.60
Total	553.81	1,283.60

Notes:

* Stock in trade represents shares held as on balance sheet date at valued at fair value being shares held by virtue of acting as a merchant banker and market maker for the acquired equity shares.

Balance in vandha & trading error A/c. are basically shares held as a result of Trading Error or Vandha Accounts of clients. In absence of information, disclosure relating quantity has not been given.

NOTE: 9 TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables from Stock Broking Activities (Secured)		
- considered good, outstanding for more then six month	317.88	382.25
- considered good, outstanding for less then six month	7,242.13	2,953.22
	7,560.00	3,335.47
Less: Provision Considered Doubtful	(116.50)	
Total	7,443.51	3,335.47
Other Receivables	567.66	896.54
Total	8,011.17	4,232.01

Notes:

- The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

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.

- The company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 36 : Fair value disclosures
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from entities in which any of the company director is a partner, a director or holds controlling interest.
- Please also refer Note No. 77 for the Trade Receivables Ageing Schedule

NOTE: 10 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on Hand	2.99	2.00
Balance with Banks in current accounts	787.19	2,452.32
Total	790.18	2,454.32

Notes:

Bank balances as on March 31, 2024 and as on March 31, 2023 include cheques on hands, which were cleared subsequent to the year end on periodic basis.

NOTE: 11 BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposits held as margin deposits*	44,357.62	34,423.31
Other Fixed Deposits	175.19	148.16
Total	44,532.81	34,571.46

Notes:

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

NOTE: 12 LOANS

Particulars	As at March 31, 2024	As at March 31, 2023
Loans measured at Amortised Cost		
Margin trading facility	19,342.28	9,890.38
Total	19,342.28	9,890.38

Notes:

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 13 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Receivables from Subsidiary Companies	14.29	2.72
Total	14.29	2.72

NOTE: 14 OTHER CURRENT NON-FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Advances to Staff	13.61	23.97
Advances to Suppliers	14.07	50.92
Advance to Branches	1.93	2.19
Advance against capital goods	100.00	100.00
Prepaid Expenses	279.42	134.18
Interest accrued but not due FD/Bond	-	9.97
Total	409.03	321.23

NOTE: 15 SHARE CAPITAL

Particulars	As at March 31, 2024	As at March 31, 2023
a Authorised :		
Equity Shares of ₹ 10/- each		
5,40,00,000 (Previous year 5,40,00,000) Equity Shares of ₹ 10/- each	5,400.00	5,400.00
60,00,000 (Previous Year 60,00,000) Redeemable Preference Shares of ₹10 each	600.00	600.00
5,00,000-6% Cumulative Redeemable Preference Share of ₹ 100/- each	500.00	500.00
TOTAL	6,500.00	6,500.00
b Issued and Subscribed and Paid up:		
3,38,69,518 (Previous year 3,38,69,518) Equity shares fully paid of ₹10 each	3,386.95	3,104.95
Add: Addition during the year	-	282.00
TOTAL	3,386.95	3,386.95
c Reconciliation of number of shares outstanding at the beginning and end of the year :		
Equity share :		
Outstanding at the beginning of the year	338.70	310.50
Add/(Less): Addition during the year	-	28.20
Equity shares allotted as fully paid bonus shares by capitalisation of reserves	-	-
Equity Shares bought back during the year	-	-
Outstanding at the end of the year	338.70	338.70

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

d Terms / Rights attached to each classes of shares

Terms / Rights attached to Equity shares

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

The Board of Directors, have recommended a Dividend for the financial year ended on 31/03/2024 @ 10% (i.e. ₹ 1/-) per equity share (Previous Year - ₹ 1/-) to the equity shareholders. The Dividend will be paid after the approval of shareholders at ensuing Annual General Meeting. The date of book closure/ record date for the entitlement of such dividend and Annual General Meeting shall be decided and informed in due course of time.

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

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

Equity share	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	%	No. of Shares	%
Vaibhav Jayantilal Shah	34.74	10.26%	31.09	9.18%
Suresh Babulal Bafna	25.13	7.42%	25.13	7.42%
Bela Himanshu Shah	24.86	7.34%	24.06	7.10%
Bankim Jayantilal Shah	22.06	6.51%	22.06	6.51%
Gaurav Bhandari	18.00	5.31%	18.00	5.31%

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

Equity share	As at March 31, 2024		
	No. of Shares	%	% Change during the year
Ashok Daulatraj Bafna	7.04	2.08%	0.00%
Bankim Jayantilal Shah	22.06	6.51%	0.00%
Bela Himanshu Shah	24.86	7.34%	3.33%
Hemangi Bankim Shah	1.00	0.30%	0.00%
Himanshu Jayantilal Shah	13.10	3.87%	8.66%
Kinnari Vaibhav Shah	13.14	3.88%	9.14%
Manju Suresh Bafna	15.63	4.61%	0.00%
Shailen Ramesh Shah	7.04	2.08%	0.00%
Simandhar Securities Pvt Ltd	14.46	4.27%	0.00%
Suresh Babulal Bafna	25.13	7.42%	0.00%
Vaibhav Jayantilal Shah	34.74	10.26%	11.74%
Anushree Himanshubhai Shah	1.00	0.30%	0.30%
Vrushali Himanshu Shah	3.74	1.10%	1.10%
Kavish Vaibhav Shah	0.25	0.07%	0.07%
Himanshu Jayantilal Shah - Huf	0.15	0.04%	0.04%
Yantra Esolarindia Private Limited	6.08	1.80%	1.80%

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Equity share	As at March 31, 2023		
	No. of Shares	%	% Change during the year
Ashok Daulatraj Bafna	7.04	2.08%	0.00%
Bankim Jayantilal Shah	22.06	6.51%	0.00%
Bela Himanshu Shah	24.06	7.10%	0.00%
Hemangi Bankim Shah	1.00	0.30%	0.00%
Himanshu Jayantilal Shah	12.06	3.56%	0.00%
Kinnari Vaibhav Shah	12.04	3.55%	0.00%
Manju Suresh Bafna	15.63	4.61%	1.30%
Shailen Ramesh Shah	7.04	2.08%	0.00%
Simandhar Securities Pvt Ltd	14.46	4.27%	0.00%
Suresh Babulal Bafna	25.13	7.42%	0.00%
Vaibhav Jayantilal Shah	31.09	9.18%	0.00%

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

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

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

During FY 2022-23, February 04, 2023 the Company had issued 28,20,000 Equity shares of face value of ₹ 10/- each (Rupees Ten Only) out of 29,90,000 Fully Convertible Warrants to the persons as mentioned above. Rest 1,70,000 Fully Convertible Warrants have been forfeited.

NOTE: 16 OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
Reserves & Surplus		
Capital reserve - at the beginning of the year	182.24	151.64
Add: Addition during the year	-	30.60
At the end of the year	182.24	182.24
Securities premium reserve - at the beginning of the year	5,224.09	3,475.69
Add: Addition during the year	-	1,748.40
At the end of the year	5,224.09	5,224.09
Money Received against share warrant - at the beginning of the year	-	538.20
Add: Addition during the year	-	1,522.80
Less: Adjustment during the year (Refer Note 15(h))	-	(2,061.00)
At the end of the year	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Share Based Payment Reserve (Refer Note 57)		-
Add: Compensation expense recognised during the year	309.49	309.49
Add: Addition during the year	448.87	
At the end of the year	758.36	309.49
Retained earnings - at the beginning of the year	11,521.70	8,348.39
Add: Addition during the year	11,651.39	3,483.81
Less: Dividend Declared	(338.70)	(310.50)
At the end of the year	22,834.40	11,521.70
Total Reserves & Surplus	28,999.08	17,237.52
Other comprehensive income		
Remeasurements of the net defined benefit Plans	(14.46)	(17.59)
Add/(Less): Adjustment during the year	(14.92)	3.13
At the end of the year	(29.39)	(14.46)
Fair valuation of investments in equity shares	-	436.07
Add/(Less): Adjustment during the year	-	(436.07)
At the end of the year	-	-
Total Other comprehensive income	(29.39)	(14.46)
Total Other Equity	28,969.69	17,223.05

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

- a) **Capital reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase.
- b) **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.
- c) **Share Based Payment Reserve:** This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by the Company. Once shares are issued by the Company, the amount in this reserve will be transferred to Share capital, Securities premium or retained earnings
- d) **Retained earnings:** Retained earnings represents undistributed profits of the company
- e) **Other comprehensive income:**
 - (i) The company has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity.
 - (ii) Remeasurements of defined benefit liability comprises of actuarial gains and losses.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 17 NON CURRENT BORROWING

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Borrowings		
Vehicle Loans (Non Current Maturities)		
Loan from Kotak Mahindra Prime Limited	3.66	7.45
Loan from Daimler Financial Services India Ltd	-	11.75
Loan From BMW India Financial Services Pvt Ltd	6.12	16.06
Loan From Axis Bank Ltd	185.39	-
(Secured against hypothecation of respective vehicles)		
Total	195.16	35.26

NOTE: 18 NON CURRENT PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity	292.34	225.11
Total	292.34	225.11

NOTE: 19 CURRENT BORROWINGS

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Borrowings		
Overdraft from HDFC Bank	2,105.65	-
(Secured against hypothecation of Office premises & Securities, and Personal guarantee of Key Management)		
Current Maturities		
Vehicle Loans (Current Maturities)		
Loan from Kotak Mahindra Prime Limited	3.77	3.47
Loan from Daimler Financial Services India Ltd	12.05	13.33
Loan From BMW India Financial Services Pvt Ltd	9.98	9.24
Loan From Axis Bank Ltd	111.06	
Unsecured Borrowings		
Loans from shareholders		
- Other than promoter group	30.00	30.00
- Related Parties	6,318.48	
Loans from Commercial Papers	4,387.50	
Total	12,978.50	56.04

Notes:

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 20 TRADE PAYABLE

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payable - Stock Broking	29,175.52	32,280.29
Trade Payable -Expenses	75.09	130.72
Trade Payable -Others	75.00	65.50
Total	29,325.61	32,476.51

Notes:

- Please refer Note 43 -Dues to micro, small and medium enterprises, of the Financial Statements regarding dues to micro and small enterprises
- Please also refer Note No. 78 for the Trade Payable Ageing Schedule

NOTE: 21 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Salary & Reimbursements	26.36	133.66
Deposits from Clients	4,266.68	4,807.53
Deposits from Business Associates	257.79	249.66
Other Current Liabilities	42.45	96.78
Total	4,593.28	5,287.63

NOTE: 22 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax Payable (net of advance tax/TDS)	-	62.45
Total	-	62.45

NOTE: 23 CURRENT PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Expenses	75.39	12.29
Provision for Gratuity (Current)	47.66	34.88
Provision for CSR	121.08	95.18
Total	244.13	142.35

NOTE: 24 OTHER CURRENT NON FINANCIAL LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Remittances	436.09	77.25
Advance Brokerage from Client	1.73	0.76
Total	437.81	78.02

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 25 REVENUE FROM OPERATIONS

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
(a) Interest Income		
Interest on margin funding	1,985.04	932.63
Interest on delayed payment	1,966.68	1,487.34
Interest on fixed deposits under the lien with stock exchanges	3,247.12	2,095.55
	7,198.84	4,515.52
(b) Fees and Commission Income		
Brokerage	12,099.31	7,430.58
Income from depository Operation	389.69	232.31
Income from distribution Operation	214.64	214.31
Other Operating Income	88.36	108.80
	12,792.00	7,986.00
(c) Merchant banking & Other Advisory Services		
Merchant Banking Services	3,586.58	473.69
Other Advisory Services	799.85	1,371.21
	4,386.43	1,844.90
(d) Asset Management Services	899.49	217.88
Total	25,276.76	14,564.30

Notes:

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

NOTE: 26 OTHER INCOME

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
(a) Net Gain on Fair Value Changes	1,108.55	437.76
(b) Profit On Sale of Investments	696.18	-
(c) Other Income		
Dividend Income	12.70	7.35
Interest Income	24.54	69.34
Other non-operating income	61.17	48.66
	98.41	125.34
Total	1,903.14	563.10

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 27 EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Salary & Other Allowances		
Employee Salary	2,932.55	2,673.60
Director Remuneration	205.52	75.19
Performance Incentive	350.18	1,577.88
Contribution to Provident & Other fund	179.50	141.05
Staff Welfare Expenses	108.41	118.66
Employee Compensation Expenses	448.87	309.49
Total	4,225.03	4,895.85

NOTE: 28 FEES AND COMMISSION EXPENSE

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Sub Brokerage & Commission Expenses	2,729.97	2,157.28
Total	2,729.97	2,157.28

NOTE: 29 FINANCE COST

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Interest expense on:		
On Temporary overdrafts availed from banks	11.75	12.72
On Car Loans	20.66	6.23
On Borrowings from a subsidiary company	274.40	157.41
On Commercial paper discount charges	265.18	-
On Interest expense on intercorporate deposits	524.45	46.21
Other Interest	275.84	326.77
Other borrowing costs:		
Bank Guarantee Charges	194.76	163.22
Other Charges	9.71	20.72
Total	1,576.75	733.29

NOTE: 30 OTHER EXPENSES

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Legal and professional charges	590.35	394.67
Sales & marketing expenses	80.68	82.50
Depository charges	123.57	86.27
Exchange expenses	34.75	229.33
Connectivity Charges	141.89	110.49

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Software Charges	389.94	259.38
Rent Rates & Taxes	575.34	536.89
Electricity Charges	79.50	75.98
Telephone Charges	25.72	25.86
Repairs & Maintenance	95.72	74.06
Manpower supply charges	9.33	14.50
Postage & Courier Charges	14.04	12.09
Conveyance & Travelling	135.71	102.47
Printing and stationery	12.31	16.43
Office expenses	42.25	44.62
Membership Fees & Subscription	98.32	75.12
Insurance	1.77	5.03
Auditors Remuneration (Refer Note 54)	6.00	6.15
Corporate Social Responsibility	178.77	95.18
Charity & Donations	0.45	3.17
Loss on sale of stock-in-error	8.31	(7.40)
Provision For Doubtful debts & Sundry balances w/off	107.40	38.05
Other Expenses	110.30	71.59
Advertisement & Business Promotion Expenses	92.80	155.49
Total	2,955.21	2,507.90

NOTE: 31 STATEMENT OF OTHER COMPREHENSIVE INCOME

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
(i) Items that will not be reclassified to profit or loss		
Changes in revaluation surplus		
(i) Remeasurements of the defined benefit plans	(19.94)	4.18
(ii) Equity Instruments through Other Comprehensive Income	-	(436.07)
(iii) Income tax relating to items that will not be reclassified to profit or loss	5.02	(1.05)
Total	(14.92)	(432.94)

NOTE: 32 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

i. Profit attributable to Equity holders

Particulars	March 31, 2024	March 31, 2023
Profit attributable to equity holders :		
Continuing operations	11,651.39	3,483.81
Discontinued operations		
Profit attributable to equity holders for basic earnings	11,651.39	3,483.81
Profit attributable to equity holders adjusted for the effect of dilution	11,651.39	3,483.81
ii. Weighted average number of ordinary shares		
Issued ordinary shares at April 1	338.70	310.50
Effect of shares issued on conversion of share warrants		28.20
Weighted average number of shares at March 31 for Basic EPS	338.70	338.70
Weighted average number of shares at March 31 for Diluted EPS	338.70	338.70
	INR	INR
Basic earnings per share	34.40	10.29
Diluted earnings per share	34.40	10.29

NOTE: 33 TAX EXPENSE

(a) Amounts recognised in profit and loss

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Current income tax	3,808.90	1,210.62
Changes in tax estimates of prior years	47.48	17.87
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	6.82	8.16
Deferred tax expense	6.82	8.16
Tax expense for the year	3,863.20	1,236.64

(b) Amounts recognised in other comprehensive income

	For the year ended March 31, 2024		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(19.94)	5.02	(14.92)
Equity Instruments through Other Comprehensive Income	-	-	-
Items that will be reclassified to profit or loss	-	-	-
	(19.94)	5.02	(14.92)

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

	For the year ended March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	4.18	(1.05)	3.13
Equity Instruments through Other Comprehensive Income	(436.07)	-	(436.07)
Items that will be reclassified to profit or loss	-	-	-
	(431.89)	(1.05)	(432.94)

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

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Profit before tax	15,515	4,720
Statutory income tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	3,904.71	1,188.04
Tax effect of:		
Non-deductible tax expenses	158.60	69.79
Sale Of Investments	36.23	-
Deductions Under Income Tax Act	(290.72)	(47.27)
Other Adjustments	0.08	0.06
	3,808.90	1,210.62

(d) Movement in deferred tax balances

Particular	Net balance April 1, 2023	Recognised in profit or loss	Recognised in OCI	March 31, 2024	
				Net	Deferred tax asset/ (Deferred tax liability)
Deferred tax asset/(Liabilities)					
Property, plant and equipment	44.03	(18.81)	-	25.22	25.22
Compensated absences and gratuity	65.44	11.99	5.02	82.45	82.45
Tax assets (Liabilities)	109.47	(6.82)	5.02	107.68	107.68
Set off tax	-	-	-	-	-
Net tax assets	109.47	(6.82)	5.02	107.68	107.68

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

(e) Movement in deferred tax balances

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

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

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

NOTE: 34 EMPLOYEE BENEFIT EXPENSE

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

(i) Defined Contribution Plans:

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

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

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Provident Fund	96.08	85.71
Contribution to ESIC	5.55	5.67
Total	101.63	91.38

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

(ii) Defined Benefit Plan:

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

- i) On normal retirement / early retirement / withdrawal / resignation:
As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- ii) On death in service:
As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	March 31, 2024	March 31, 2023
Net defined benefit asset	6.29	6.08
Total employee benefit asset	6.29	6.08
Net defined benefit liability		
Liability for Gratuity	339.99	259.99
Total employee benefit liabilities	339.99	259.99
Non-current	292.34	225.11
Current	47.66	34.88

B. Movement in net defined benefit (asset) liability

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

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Opening balance	259.99	235.55	6.08	8.90	253.91	226.65
Included in profit or loss					-	
Current service cost	52.32	32.36	-	-	52.32	32.36
Past service cost	-	-	-	-	-	-
Interest cost (income)	18.98	11.16	0.44	-	18.54	11.16
Others	-	-	-	-	-	-
	331.28	279.06	6.52	8.90	324.76	270.17

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions		-	-	-	-	-
Financial assumptions	1.21	(11.08)	-	-	1.21	(11.08)
Experience adjustment	18.50	7.22	-	-	18.50	7.22
Return on plan assets excluding interest income	-	-	(0.24)	0.32	0.24	(0.32)
	19.71	(3.86)	(0.24)	0.32	19.94	(4.18)
Other						
Contributions paid by the employer		(3.14)	-	-	-	(3.14)
Benefits paid	(10.99)	(12.08)	-	(3.14)	(10.99)	(8.94)
Closing balance	339.99	259.99	6.29	6.08	333.71	253.91
Represented by:						
Net defined benefit asset					6.29	6.08
Net defined benefit liability					333.71	253.91
Present Value of Defined Benefit Obligation					339.99	259.99

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, 2023	85.08	58.52	42.85	34.17	26.24	55.74
March 31, 2024	117.27	79.94	57.22	44.00	32.06	68.96

C. Plan assets

Plan assets comprise the following:

	March 31, 2024	March 31, 2023
Policy of insurance	100%	100%
Bank Balance	0%	0%
	100%	100%

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

D. Defined benefit obligations

i. Actuarial assumptions

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

	March 31, 2024	March 31, 2023
Discount rate	7.15%	7.30%
Salary escalation rate	5.10%	5.10%
Withdrawal Rates	30% at all ages	30% at all ages
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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

ii. Sensitivity analysis

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

	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Rate of discounting (0.50% movement)	336.02	344.09	256.83	263.23
Rate of salary increase (0.50% movement)	343.90	336.17	263.16	256.86
Rate of employee turnover (10% movement)	340.10	339.67	259.07	260.73

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

NOTE: 35 LEASES- OPERATING LEASES

Leases as lessee

- a) The Company has entered into cancellable operating leasing arrangements for residential and office premises. Following Lease rentals has been included under the head "Other Expenses" under Note No 30 in the notes to the financial statements.

	Year ended March 31, 2024	Year ended March 31, 2023
Lease Rental Payments	575.34	536.89
	575.34	536.89

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

b) Future minimum lease payments

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

	March 31, 2024	March 31, 2023
Less than one year	541.96	482.12
Between one and five years	1,040.55	957.82
More than five years	-	-
	1,582.51	1,439.93

c) Adoption of Ind AS 116

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

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

NOTE: 36 FAIR VALUE DISCLOSURES

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	-	-	3,249.17	3,249.17	-	-	-	-
Other Non-current Financial Assets	-	-	1,757.61	1,757.61	-	-	-	-
Trade receivables	-	-	8,011.17	8,011.17	-	-	-	-
Cash and cash equivalents	-	-	790.18	790.18	-	-	-	-
Balances other than Cash and cash equivalents	-	-	44,532.81	44,532.81	-	-	-	-
Current Loans	-	-	19,342.28	19,342.28	-	-	-	-
Other Current financial assets	-	-	14.29	14.29	-	-	-	-
	-	-	77,697.51	77,697.51	-	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Particulars	Carrying amount			Fair value				
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
March 31, 2024								
Financial liabilities								
Non-current borrowings	-	-	195.16	195.16	-	-	-	-
Current borrowings	-	-	12,978.50	12,978.50	-	-	-	-
Trade payables	-	-	29,325.61	29,325.61	-	-	-	-
Other Non-Current financial liabilities	-	-	4,593.28	4,593.28	-	-	-	-
	-	-	47,092.55	47,092.55	-	-	-	-

Particulars	Carrying amount			Fair value				
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
March 31, 2023								
Financial assets								
Non-current investments	-	-	3,249.17	3,249.17	-	-	-	-
Other Non-current Financial Assets	-	-	1,364.42	1,364.42	-	-	-	-
Trade receivables	-	-	4,232.01	4,232.01	-	-	-	-
Cash and cash equivalents	-	-	2,454.32	2,454.32	-	-	-	-
Balances other than Cash and cash equivalents	-	-	34,571.46	34,571.46	-	-	-	-
Current Loans	-	-	9,890.38	9,890.38	-	-	-	-
Other Current financial assets	-	-	2.72	2.72	-	-	-	-
	-	-	55,764.47	55,764.47	-	-	-	-
Financial liabilities								
Non-current borrowings	-	-	35.26	35.26	-	-	-	-
Current borrowings	-	-	56.04	56.04	-	-	-	-
Trade payables	-	-	32,476.51	32,476.51	-	-	-	-
Other Non-Current financial liabilities	-	-	5,287.63	5,287.63	-	-	-	-
	-	-	37,855.44	37,855.44	-	-	-	-

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

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

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

Transfers between Levels 1 and 2

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

C. Financial risk management

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

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

i. Risk management framework

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

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

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

ii. Credit risk

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Trade and other receivables

Total Trade receivables as on 31 March 2024 are as follows:

Date	Trade Receivable	Margin trading facility	Total
March 31, 2024	8,011.17	19,342.28	27,353.45
March 31, 2023	4,232.01	9,890.38	14,122.39

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

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

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

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

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

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

Receivables from margin trading facility : In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The expected credit loss is a product of exposure at default (EAD), probability of default (PD) and Loss given default (LGD). The financial assets have been segmented into three stages based on the risk profiles, primarily based on past due. Company has large number of customer base with shared credit risk characteristics. Receivables against margin trading facilities are secured by collaterals. As per policy of the Company, Receivables against Margin trade facilities to the extent not covered by collateral (i.e. unsecured portion) is considered as default and are fully written off as bad debt against respective loan receivables and the

Notes to Standalone Financial Statements

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(Currency: ₹ in lakhs)

amount of loss is recognised in the Statement of Profit and Loss. Subsequent recoveries of amounts previously written off are credited to the Statement of Profit and Loss as bad debts recovered. As per Ind AS 109, the maximum period to consider when measuring expected credit losses is the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice. Therefore, the maximum period to consider when measuring expected credit losses for these loans is the maximum contractual period (i.e. on demand/one day). ECL is computed assuming that these loans are fully recalled by the Company at each reporting period.

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

At 31 March 2024, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	Carrying amount (in INR)	
	March 31, 2024	March 31, 2023
India	27,353.45	14,122.39
	27,353.45	14,122.39

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

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

	March 31, 2024	March 31, 2023
Opening balance	-	-
Provision for receivables impairment	107.40	38.05
Receivables written off during the year as uncollectible	-	(38.05)
Provision released during the year	-	-
Closing balance	107	-

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

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.

March 31, 2024	Contractual cash flows				
	Carrying amount	Total	12 months or less	1-5 years	More than 5 years
INR					
Non-derivative financial liabilities					
Non-current borrowings	195.16	195.16	-	195.16	-
Current borrowings	12,978.50	12,978.50	12,978.50	-	-
Trade payables	29,325.61	29,325.61	29,325.61	-	-
Other financial liabilities	4,593.28	4,593.28	4,593.28	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-

March 31, 2023	Contractual cash flows				
	Carrying amount	Total	12 months or less	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non-current borrowings	35.26	35.26	-	35.26	-
Current borrowings	56.04	56.04	56.04	-	-
Trade payables	32,476.51	32,476.51	32,476.51	-	-
Other financial liabilities	5,287.63	5,287.63	5,287.63	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

iv. Market risk

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

Currency risk

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

Interest rate risk

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

Exposure to interest rate risk

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

	Nominal amount in INR	
	March 31, 2024	March 31, 2023
Fixed-rate instruments		
Financial assets	44,532.81	34,571.46
Financial liabilities	13,143.67	61.30
	31,389.14	34,510.16
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-
Total	31,389.14	34,510.16

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 Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 37 CAPITAL MANAGEMENT

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

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

The Company's adjusted net debt to equity ratio at March 31, 2024 was as follows.

	As at March 31, 2024	As at March 31, 2023
Total Borrowings	13,173.67	91.30
Less : Cash and cash equivalent **	790.18	2,454.32
Adjusted net debt	12,383.48	(2,363.02)
Total equity	32,356.65	20,610.00
Less : Hedging reserve	-	-
Adjusted equity	32,356.65	20,610.00
Adjusted net debt to adjusted equity ratio	0.38	(0.11)

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

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

NOTE: 38 RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

A Nature of relationship

I Subsidiary Companies

- 1 Monarch Network Finserve Private Limited
- 2 Monarch Network Investment Advisors Private Limited
- 3 Monarch Network Capital IFSC Pvt Ltd
- 4 Monarch Network Money Changers Private Limited (ceased to be a subsidiary w.e.f quarter ended 30th September 2023)

II Associate Companies

- 1 Network Financial Services Ltd (ceased to be an associate w.e.f quarter ended 30th September 2023)

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

- 1 Premjayanti Properties
- 2 Monarch Infra Ventures
- 3 Krone Investments
- 4 Vibrant Investments
- 5 Mahaveer Equibiz
- 6 Monarch Comtrade Private Limited

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

- 7 Monarch Infraparks Private Limited
- 8 Premjayanti Enterprises Private Limited
- 9 Yantra E Solar Private Limited
- 10 Krone Finstock Private Limited
- 11 R K Investments
- 12 Opp Basket Private Limited
- 13 Sur-Man Investment Limited
- 14 Simandhar Securities Private Limited
- 15 Samarpan Properties Private Limited
- 16 Samarpan Properties Private Limited
- 17 MNCL Compounder Fund
- 18 MNCL Compounder Fund-I

IV Promoters and their relatives

- 1 Mr. Vaibhav Shah (Managing Director/ Promoter)
- 2 Mrs. Manju Bafna (Wholetime Director/ Promoter)
- 3 Mr. Ashok Bafna (Wholetime Director/ Promoter)
- 4 Mrs. Kinnari Shah (Promoter)
- 5 Mr. Bankim Shah (Promoter/ Operation Head)
- 6 Mr. Himanshu Shah (Promoter)
- 7 Mr. Suresh Bafna (Promoter)
- 8 Mrs. Bela Shah (Promoter)
- 9 Mr. Shailen Shah (Promoter /President Institutional Desk)
- 10 Mrs. Hemangi B. Shah (Promoter)
- 11 Vaidik Ashok Bafna (Son Of Promoter)
- 12 Darshika Shailen Shah (Spouse Of Promoter)
- 13 Dimple Bafna (Related To Promoter)
- 14 Khushi Ashok Bafna (Daughter Of Promoter)
- 15 Mahek Shailen Shah (Daughter Of Promoter)
- 16 Manish Bafna (Brother Of Promoter)
- 17 Manish Bafna HUF (Related To Promoter)
- 18 Manjula Ramesh Shah (Mother Of Promoter)
- 19 Nirmi Shailen Shah (Daughter Of Promoter)
- 20 Nitin Ramesh Shah (Brother Of Promoter)
- 21 Nitin Ramesh Shah HUF (Related To Promoter)

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

- 22 Savita Ashok Bafna (Spouse Of Promoter)
- 23 Anushree Shah (Daughter Of Promoter)
- 24 Kavish Shah (Son Of Promoter)
- 25 Premilaben Jayantibhai Shah (Mother Of Promoter)
- 26 Jayantilal Shah (Father of Promoter)
- 27 Ashok Bafna Huf (Related To Promoter Director)
- 28 Vaibhav Shah HUF (Related To Promoter Director)
- 29 Himanshu Shah HUF (Related To Promoter)
- 30 Bankim Shah HUF (Related To Promoter)

V Directors / Key Management Personnel

- 1 Mr. Vaibhav Shah (Managing Director)
- 2 Mrs. Manju Bafna (Wholetime Director)
- 3 Mr. Ashok Bafna (Wholetime Director)
- 4 Mr. Chetan Bohra (Independent Director)
- 5 Ms Avni Chouhan (Independent Director)
- 6 Mr. Satish Kumar (Independent Director)
- 7 Mr. Gaurav Bhandari (CEO)
- 8 Ms Rupali Verma (Company Secretary) resigned w.e.f. 16th February, 2024
- 9 Mrs Hetvi Gandhi (CFO) resigned w.e.f. 25th May, 2023
- 10 Nitesh Tanwar (Company Secretary) appointed w.e.f. 12th March, 2024

Notes :

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

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

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue								
Rent Income	9.00	9.00	-	-	-	-	9.00	9.00
Interest Income	-	-	640.53	17.02	0.64	0.01	641.17	17.03
Demat Charges Income	0.05	0.05	13.02	0.20	0.26	0.12	13.34	0.37
Brokerage Income	-	-	55.35	106.11	21.47	13.00	76.82	119.11
Asset Management Services	-	-	899.49	217.88	-	-	899.49	217.88
Total	9.05	9.05	1,608.39	341.21	22.37	13.13	1,639.82	363.39
Expenses								
Professional Fees Paid	-	-	-	-	39.00	39.00	39.00	39.00
Salaries & Incentive	-	-	-	-	584.70	1,292.29	584.70	1,292.29
Interest Paid	274.40	157.41	525.82	157.72	22.91	25.42	823.14	340.55
Lease Rent Paid	-	-	166.50	162.00	60.00	60.00	226.50	222.00
Total	274.40	157.41	692.32	319.72	706.61	1,416.71	1,673.34	1,893.84

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	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Outstanding Balances								
Investments								
Monarch Network Finserve Private Limited	1,429.22	1,429.22	-	-	-	-	1,429.22	1,429.22
Monarch Network Investment Advisory Private Limited	59.99	59.99	-	-	-	-	59.99	59.99
Monarch Network Capital IFSC Private Ltd	5.00	5.00	-	-	-	-	5.00	5.00
Monarch Network Money Changer Private Limited	-	50.00	-	-	-	-	-	50.00
Network Financial Service Limited			-	94.94	-	-	-	94.94
MNCL Compounder Fund				1,529.96			-	1,529.96

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Total	1,494.21	1,544.21	-	1,624.90	-	-	1,494.21	3,169.11
Receivables / Advances								
Monarch Network Capital IFSC Private Limited	14.29	1.92	-	-	-	-	14.29	1.92
Monarch Network Money Changer Private Limited	-	0.79	-	-	-	-	-	0.79
Monarch Comtrade Pvt Ltd	-	-	0.04	-	-	-	0.04	-
Suresh Babulal Bafna	-	-	-	-	0.00	0.00	0.00	0.00
Premilaben Jayantilal Shah	-	-	-	-	-	3.87	-	3.87
Vaidik Ashok Bafna	-	-	-	-	-	0.00	-	0.00
Anushree Shah	-	-	-	-	-	0.00	-	0.00
Neelam Shah	-	-	-	-	0.00	-	0.00	-
Yantra Esolar India Private Limited	-	-	-	5.82	-	-	-	5.82
Total	14.29	2.72	0.04	5.82	0.00	3.87	14.33	12.41
Payables								
Monarch Network Finserve Pvt Ltd	1,877.65	-	-	-	-	-	1,877.65	-
Shailen Shah	-	-	-	-	15.88	1.34	15.88	1.34
Shailen Shah HUF	-	-	-	-	3.90	-	3.90	-
Ashok Bafna	-	-	-	-	2.00	-	2.00	-
Darshika Shailen Shah	-	-	-	-	6.03	0.67	6.03	0.67
Manjula Ramesh Shah	-	-	-	-	2.42	0.61	2.42	0.61
Nitin Ramesh Shah	-	-	-	-	2.19	5.29	2.19	5.29
Nitin Ramesh Shah Huf	-	-	-	-	0.12	4.59	0.12	4.59
Krone Finstock Pvt Ltd	-	-	2.53	1,170.24	-	-	2.53	1,170.24
Krone Investments	-	-	14.94	0.00	-	-	14.94	0.00
Premjayanti Enterprise Pvt Ltd	-	-	-	0.00	-	-	-	0.00
Yantra Esolar India Private Limited	-	-	3.70	-	-	-	3.70	-
Anushree Shah	-	-	-	-	-	0.73	-	0.73
Dimple Bafna	-	-	-	-	-	5.83	-	5.83
Manish Bafna	-	-	-	-	-	1.14	-	1.14
Manish Bafna Huf	-	-	-	-	-	3.91	-	3.91
Manju Bafna	-	-	-	-	-	2.43	-	2.43

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Nature of Transactions	Subsidiary Companies	Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Savita Ashok Bafna				0.22		0.22	-
Khushi Ashok Bafna				6.09		6.09	-
Suresh Bafna	-	-	-	-	0.00	-	0.00
Vaidik Ashok Bafna	-	-	-	0.15	0.00	0.15	0.00
Vrushali Shah				1.64		1.64	-
K and K Ventures			0.00			0.00	-
Opp Basket Pvt Ltd			1.52			1.52	-
Mahaveer Equibiz			3.06	-		3.06	-
Total	1,877.65	-	25.75	1,170.24	40.63	26.55	1,944.03
Unsecured Loans							
Opp Basket Pvt Ltd			4,440.83			4,440.83	-
Total	-	-	4,440.83	-	-	-	4,440.83
Deposit							
Shailen Shah	-	-	-	-	10.00	40.00	10.00
Darshika Shailen Shah	-	-	-	-	-	25.00	-
Manjula Ramesh Shah	-	-	-	-	-	30.00	-
Nitin Ramesh Shah	-	-	-	-	5.00	40.00	5.00
Nitin Ramesh Shah Huf	-	-	-	-	8.00	45.00	8.00
Ashok Bafna	-	-	-	-	-	50.00	-
Ashok Bafna HUF	-	-	-	-	25.00	50.00	25.00
Dimple Bafna	-	-	-	-	-	35.00	-
Khushi Ashok Bafna	-	-	-	-	7.00	20.00	7.00
Manish Bafna	-	-	-	-	-	48.00	-
Manish Bafna HUF	-	-	-	-	-	60.00	-
Manju Bafna	-	-	-	-	-	200.00	-
Savita Ashok Bafna	-	-	-	-	15.00	50.00	15.00
Vaidik Ashok Bafna	-	-	-	-	10.00	15.00	10.00
Krone Investments	-	-	-	-	-	-	-
Monarch Infra Venture	-	-	-	-	-	-	-
Yantra Esolar India Private Limited	-	-	-	-	-	-	-
Total	-	-	-	-	80.00	708.00	80.00

Note:

Directors of the Companies have given personal guarantees towards certain borrowings and cash credit of the Company. Gratuity and Compensated absences are included in managerial remuneration as disclosed above.

All transactions with the related parties are priced on an arm's length prices and resulting outstanding balances are to be settled in cash on demand. None of the balances are secured.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 39 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Contingent liabilities	₹ in Lakhs	
	March 31, 2024	March 31, 2023
Bank Guarantee	27,000.00	21,696.00
Income Tax matters pending with various authorities	138.34	611.20
Service Tax matters (Including GST) pending with various authorities	239.56	89.18
(Merged Entity -Monarch Project & Finmarkets Limited and Monarch Research Brokerg Pvt Ltd)		
Client Litigation matter	72.93	51.01

Notes

- (i) There are certain claims aggregating to ₹ 72.93 Lakhs (previous year ₹ 51.01 lakhs) against the company for which the company has taken suitable legal recourse. Hence the same has not been recognized as a debt and no provision has been made thereof.
- (ii) The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2024
- (iii) Pending resolution of the respective proceedings, it is not practicable for the company to estimate the timing of the cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

NOTE : 40

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

NOTE : 41

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

NOTE: 42 COMMITMENTS

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

NOTE : 43

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Dues to micro, small and medium enterprises	March 31, 2024	March 31, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	6.00	6.15
Interest	Nil	Nil
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

NOTE : 44

Earnings and expenditure in Foreign Currency during the year:	March 31, 2024	March 31, 2023
Earnings in Foreign Currency	-	0.73
Expenditure in Foreign Currency	Nil	Nil

NOTE : 45 PROPOSED DIVIDEND

The Board of Directors, have recommended a Dividend for the financial year ended on 31/03/2024@ 10% (i.e. ₹ 1/-) per equity share (Previous Year - @ 10% , i.e. ₹ 1/- per equity share) to the equity shareholders. The Dividend will be paid after the approval of shareholders at ensuing Annual General Meeting. The date of book closure for the entitlement of such dividend and Annual General Meeting shall be decided and informed in due course of time.

NOTE : 46 SEGMENT INFORMATION

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

NOTE : 47

	March 31, 2024	March 31, 2023
Forward exchange contracts outstanding on the balance sheet date which is entered to hedge foreign exchange exposures of the Company.	Nil	Nil

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 48

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

NOTE : 49

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

NOTE : 50

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

NOTE :51

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

NOTE : 52

Events Occurring After the Balance Sheet Date

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

NOTE : 53

Directors Remuneration	March 31, 2024	March 31, 2023
Director Remuneration	205.52	75.19
	205.52	75.19

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. The increase in remuneration of directors is due to one time Incentives provided to the directors during the financial years.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 54

Auditors Remuneration	March 31, 2024	March 31, 2023
Towards Statutory & Tax Audit	6.00	6.15
(Exclusive of GST)		
	6.00	6.15

NOTE : 55

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

NOTE : 56

Corporate social responsibility

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

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Unspent Balance at the beginning	95.18	19.57
Provision made by the Company during the year	178.77	95.18
Prior Period Provision made by the Company during the year	0.37	-
Amount Spent during the year	-	-
- Construction / acquisition of any asset	-	-
- On purpose of other than above	(153.23)	(19.57)
Amount remaining to be Spent at the end of the year	121.08	95.18

NOTE : 57

Employee Stock Option Plan

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

Accordingly during the year 2022-23, 5,00,000 ESOPs equivalent to equal number of Equity Shares were offered and granted to eligible employees under the said scheme, presently 4,69,000 ESOPs are outstanding under the scheme . Details of the same are given below:

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

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

An expense of ₹ 448.87 Lakhs (PY 309.48 Lakhs) has been charged to the profit and loss account during the current year under the head Employee Benefit Expenses for the ESOPs as per Ind AS 102 Share-based Payment.

NOTE : 58

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

Particulars	Relationship	Amount outstanding as at March 31, 2024	Maximum balance outstanding during the year
Monarch Network Finserve Private Limited	Wholly-owned Subsidiary	CY	-
		PY	1,285.44
Monarch Network Investment Advisors Pvt Ltd	Subsidiary	CY	3.24
		PY	-
Monarch Network Capital IFSC Pvt Ltd	Subsidiary	CY	-
		PY	1.92

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

NOTE : 59

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

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

Type of Borrower, that are (a) repayable on demand; or (b) without specifying any terms or period of repayment.	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As on		As on	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Promoters/ Directors/ KMPs:	-	-	0.00%	0.00%
Related Parties:	14.29	2.72	0.07%	0.03%
Total to promoters, directors, KMPs and the related parties	14.29	2.72	0.07%	0.03%
Total to Other Loans given by the Company	19,342.28	9,890.38	99.93%	99.97%
Grand Total	19,356.57	9,893.09	100.00%	100.00%

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 60

The details of loan granted by the company during the Financial Year 2023-24 are as follows:

Loan Provided	Sub./JV/ Associate	Others
A. Aggregate amount granted/ provided during the year	11.57	9,451.90
B. Balance outstanding as at balance sheet date in respect of above cases	14.29	19,342.28

NOTE : 61

Revenue From Contract With Customers

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

Disaggregate revenue information

- The table below presents disaggregate revenues from contracts with customers for the year ended March 31, 2024 and March 31, 2023. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Nature of Services

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

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
(a) Interest Income		
Interest on margin funding	1,985.04	932.63
Interest on delayed payment	1,966.68	1,487.34
Interest on fixed deposits under the lien with stock exchanges	3,247.12	2,095.55
	7,198.84	4,515.52
(b) Fees and Commission Income		
Brokerage	12,099.31	7,430.58
Income from depository Operation	389.69	232.31
Income from distribution Operation	214.64	214.31
Other Operating Income	88.36	108.80
	12,792.00	7,986.00
(c) Merchant banking and other advisory services	4,386.43	1,844.90
(d) Asset Management Services	899.49	217.88
Total	25,276.76	14,564.30

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

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

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

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

NOTE : 62

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

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposits held as margin deposits	13,500.00	10,859.00
Property, plant and equipment	511.70	151.21
Total assets pledged as security	14,011.70	11,010.21

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

NOTE : 63

Monarch Alternative Investment Fund

A. MNCL Capital Compounder Funds

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

Key Features of the fund are as follows:

- 'MNCL Capital Compounder Fund' is a close ended scheme of the Trust and is offering through a private placement Class A Units, Class B Units, Class C Units and such other Class(es) /Subclass(es) of Units as the Investment Manager may decide from time to time for subscription aggregating to ₹ 100,00,00,000 (Indian Rupees One Hundred Crores) with a green shoe option of up to ₹ 50,00,00,000 (Indian Rupees Fifty Crores). The Fund is a scheme of an Indian trust set-up under the Indian Trusts Act, 1882 and is registered with SEBI as a Category III AIF under the Regulations and would be operated in compliance with other Applicable Laws.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

- Sponsor's Contribution by MNCL : As per the terms of The Sponsor/Investment Manager shall commit an amount equivalent to 5% (five percent) of the Corpus or ₹ 10,00,00,000 (Rupees Ten Crore), whichever is lower, and shall maintain a continuing interest in the Fund in accordance with the Regulations.
- 'Beacon Trusteeship Limited' shall act as the Trustee to the Trust. The Trustee shall have all powers in respect of the property of the Trust, including power to manage the same, which would be delegated to the Investment Manager in terms of the Investment Management Agreement. The Trustee shall not interfere with the actions of the Investment Manager so long as the actions are within the powers of the Investment Manager.
- Commitment Period : The Commitment Period for the Fund shall commence from the date of execution of Contribution Agreement on 28-09-2020 and shall end on the expiry of 3 (three) months from the Final Closing that may be extended for a further period up to 3 (three) months by the Investment Manager. During which the Capital Commitments can be drawn down upon issuance of a Drawdown Notice to the Contributors.
- Lock-in Period : Lock-in Period means the period commencing from the date of signing of the respective Contribution Agreement till the expiry of 18 (eighteen) months from the date of last Drawdown or the date of Final Closing, whichever is later. To clarify, no exit of any Units shall be allowed during the Lock-in Period, except at the discretion of the Investment Manager.
- Management Fee : Pursuant to the Investment Management Agreement, the Investment Manager will be entitled to receive Management Fee, that will accrue and commence from the date of First Closing and shall be chargeable on annual basis in arrears in respect of Class A Units and Class C Units. The Management Fee shall be charged up to 0.5% (zero point five percent) p.a. on the NAV (calculated at the beginning of each year) of Class A Units and Class C Units. No Management Fee shall be payable with respect to the holders of Class B Units. The Revenue from Management Fees is disclosed under "Note: 20 : Revenue from operations".
- Performance Fee : The Investment Manager will establish and maintain an account for the Fund. The Fund's account will contain separate capital accounts (each a "Capital Account") in order to separately track the Net Asset Value of each Contributor's Units in the Fund. The Investment Manager shall charge performance fee ("Performance Fee") based on the performance of each Capital Account at the rate of 15% (fifteen percent) p.a. of all the profits after deducting Fund Expenses (except Performance Fee), reserves, provisions/withholdings, (in case the profits are higher than the Hurdle Rate of Return) from the holders of Class A Units and Class C Units, on annual basis at the end of financial year or shorter period in certain circumstances as listed out in the Contribution Agreements viz. in case of exit etc. The Performance Fee shall be charged at the end of each year on an annual basis. The Revenue from performance Fees is disclosed under "Note: 20 : Revenue from operations".
- Hurdle Rate of Return : The hurdle rate of return shall be the compounded rate of return of an INR based calculation of 10% (pre-Tax) on an annualized basis.
- Set-up Cost : The Investment Manager will charge one-time Set-up Cost from the holders of Class A Units and Class C Units at actuals subject to a limit of up to 0.5% (zero point five percent) of the aggregate Capital Commitments by the holders of Class A Units and Class C Units. The Investment Manager may, in its discretion reduce/waive the Set-Up Cost payable by an Investor. No Set-up Cost shall be payable with respect to the holders of Class B Units.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

B. MNCL Capital Compounder Fund - I

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

Key Features of the fund are as follows:

- 'MNCL Capital Compounder Fund - I' is the second close ended scheme of the Trust and is offering through a private placement Class A Units, Class B Units, Class C Units and such other Class(es) / Subclass(es) of Units as the Investment Manager may decide from time to time for subscription aggregating to ₹ 250,00,00,000 (Indian Rupees Two Hundred Fifty Crores) with a green shoe option of up to ₹ 2,00,00,00,000 (Indian Rupees Two Hundred Crores). The Fund is a scheme of an Indian trust set-up under the Indian Trusts Act, 1882 and is registered with SEBI as a Category III AIF under the Regulations and would be operated in compliance with other Applicable Laws.
- Sponsor's Contribution by MNCL : As per the terms of The Sponsor/Investment Manager shall commit an amount equivalent to 5% (five percent) of the Corpus or ₹ 10,00,00,000 (Rupees Ten Crore), whichever is lower, and shall maintain a continuing interest in the Fund in accordance with the Regulations.
- 'Beacon Trusteeship Limited' shall act as the Trustee to the Trust. The Trustee shall have all powers in respect of the property of the Trust, including power to manage the same, which would be delegated to the Investment Manager in terms of the Investment Management Agreement. The Trustee shall not interfere with the actions of the Investment Manager so long as the actions are within the powers of the Investment Management Agreement and conform to the Regulations and the objectives of the Trust and the Fund.
- Commitment Period : The First Closing of the Fund shall be held within a period of 6 (six) months from the date of receipt of confirmation from SEBI for launch of the Fund, subject to the Fund receiving Capital Commitments of at least INR 20,00,00,000 (Indian Rupees Twenty Crores) or any other higher amount as decided by the Investment Manager in accordance with the Regulations. The Investment Manager may extend the First Closing by a period of up to 3 (three) months at its sole discretion. The Investment Manager has the discretion to hold one or more Subsequent Closings. The Final Closing shall be held on or before the expiry of 12 (twelve) months from the First Closing. The Investment Manager may extend the Final Closing by up to 3 (three) months at its sole discretion, pursuant to which admission of investors as Contributors in the Fund shall stand finalised.
- Lock-in Period : Units issued to Contributors shall be locked in till the expiry of 18 (Eighteen) months from the date of allotment of Units ("Lock-in Period"). No redemptions will be allowed during the Lock-in Period.
- Management Fee : Pursuant to the Investment Management Agreement, The Management Fee shall be chargeable at the rate of upto 1% (One Percent) p.a. in respect of Class A Units and Class C Units, payable at the end of each year (or at such intervals as determined by the Investment Manager and as stated in the Contribution Agreement) on the NAV (before taking into account the Fund Expenses, Performance Fees and Tax liabilities) calculated at the start of every year on the relevant Valuation Day. No Management Fee shall be payable with respect to the holders of Class B Units. The Revenue from Management Fees is disclosed under "Note: 20 : Revenue from operations".

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

- **Performance Fee :** The Investment Manager shall charge a Performance Fee to the holders of Class A Units and Class C Units at the rate of 15% p.a. of the incremental Pre-Tax NAV of Class A Units and Class C Units (over and above the Hurdle Rate of Return) during a Determination Period. The Performance fees will be increased by any applicable GST and other statutory charges payable thereon. This fee will be charged by the Investment Manager directly to the relevant Contributors or to the Fund. The Investment Manager, in its sole discretion, may waive or reduce the Performance Fee for a particular Contributor /Class / Subclass of Units. There shall be no Performance Fee payable with respect to Class B Units. The Revenue from performance Fees is disclosed under "Note: 20 : Revenue from operations".
- **Hurdle Rate of Return :** The Hurdle Rate of Return applicable to Class A Units and Class C Units shall be 10% (ten percent) in Indian Rupee terms. The Hurdle Rate of Return shall not be applicable with respect to holders of Class B Units.
- **Set-up Cost :** The Investment Manager will not charge any Set-up Cost from any unit holders.

NOTE : 64

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

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

NOTE : 65

Wilful Defaulter

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

NOTE : 66

Misutilisation of Bank Borrowing

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

NOTE : 67

Disclosure of transactions with struck off companies

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

NOTE : 68

Compliance with approved Scheme(s) of Arrangements

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

NOTE : 69

Undisclosed Income

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 70

Compliance with number of layers of companies

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

NOTE : 71

Details of Crypto Currency or Virtual Currency

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

NOTE : 72

Security of current assets against borrowings

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

NOTE : 73

Utilisation of Borrowed funds and share premium:

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

NOTE : 74

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

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

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

NOTE : 75

Ratios

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 76

During the previous financial year, the company held certain investments for which fair value adjustments were routed through Other Comprehensive Income (OCI). These investments were sold during the same year, but the cumulative gain/loss recognized in OCI was not transferred to Retained Earnings as required under applicable accounting standards. In the current financial year, the company has rectified this oversight by transferring the net balance in the OCI reserve to Retained Earnings, with a corresponding adjustment to the previous year's figures. This adjustment has been retrospectively applied to ensure accurate presentation of the financial statements, reflecting the true financial position and performance of the company.

NOTE : 77

Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As on March 31, 2024								
Undisputed Trade receivables:								
- considered good			7,489.78	79.82	46.27	395.30	-	8,011.17
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables:								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 78

Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2024						
(i) MSME*	-	6.00				6.00
(ii) Others	-	28,882.18	387.45	49.98		29,319.61
(iii) Disputed dues — MSME*	-					-
(iv) Disputed dues - Others	-					-
Total	-	28,888.18	387.45	49.98	-	29,325.61

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2023						
(i) MSME*	-	6.00				6.00
(ii) Others	-	32,338.49	116.37	15.65		32,470.51
(iii) Disputed dues — MSME*	-					-
(iv) Disputed dues - Others	-					-
Total	-	32,344.49	116.37	15.65	-	32,476.51

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

NOTE : 79

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

NOTE : 80

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

As per our Report of even date

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

Amit Saklecha
(Partner)
M.No. 401133
UDIN: 24401133BKADTP3300
Place : Mumbai
Date: May 24, 2024

For and on behalf of the Board

Monarch Network Capital Limited
CIN: L65920GJ1993PLC120014

Vaibhav Shah
(Managing Director)
Din:00572666

Gaurav Bhandari
(Chief Executive Officer)

Place : Mumbai
Date: May 24, 2024

Manju Bafna
(Whole-Time Director)
Din: 01459885

Nitesh Tanwar
(Company Secretary)
Membership No: F10181

Place : Mumbai
Date: May 24, 2024

INDEPENDENT AUDITOR'S REPORT

To
The Members of
MONARCH NETWORK CAPITAL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **MONARCH NETWORK CAPITAL LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries & associate together referred to as "the Group"), which comprise the balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive income, statement of cash flows, and the Statement of Changes in Equity for the year then ended for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31,, 2024, their consolidated profit including other comprehensive income, their consolidated cash

flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for opinion

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

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

Key audit matters

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

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

Key audit matters	How the matter was addressed in our Audit
<p>Information Technology system for the financial reporting process</p> <p>The Group is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis.</p>	<p>In view of the significance of the matter we applied the following audit procedures, on test check basis, in this area, among others to obtain reasonable audit assurance:</p> <ul style="list-style-type: none"> Obtained an understanding of the Group's IT environment and identified IT applications, databases and operating systems, for the areas which are relevant to our audit. Sample verification of the key transactions was carried out to verify the effectiveness of the IT environment in the group.

Key audit matters	How the matter was addressed in our Audit
<p>Further, the Group's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items such as Brokerage income, Trade receivable ageing amongst others. The controls implemented by the Group in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.</p> <p>Further, the prevailing COVID-19 situation has caused the required IT applications to be made accessible to the employees on a remote basis.</p>	<ul style="list-style-type: none"> • Obtained understanding of IT infrastructure i.e. operating systems and databases supporting the identified systems and related data security controls in relation to large number of users working on the entity's systems remotely in the light of COVID-19; • Management has given us reasonable assurance about the existence of the suitable IT controls and their persistent review and monitoring of the performance and issues arising on IT matters on a periodic basis. • Reliance is also placed on the independent system audit carried out by the external agencies, as per the mandate of the regulators.

Expected credit loss allowances

<p>Recognition and measurement of impairment of financial assets involve significant management judgement. With the applicability of Ind AS 109, credit loss assessment is now based on expected credit loss (ECL) model. The Group's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are loan staging criteria, calculation of probability of default / loss and consideration of probability weighted scenarios and forward-looking macroeconomic factors. There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed. As per management opinion, there is no expected credit loss in several financial assets including the trade receivables and other financial assets of the Group and all are on fair value, based on the assessment and judgement made by the board of the group.</p>	<p>In view of the significance of the matter we applied the following audit procedures, on test check basis, in this area, among others to obtain reasonable audit assurance:</p> <ul style="list-style-type: none"> • We evaluated management's process and tested key controls around the determination of extent of requirement of expected credit loss allowances, including recovery process & controls implemented in the group for trade receivables and other financial assets. It was explained to us by the management that the control exists relating to the recovery of receivables, including those aging for large periods and in the opinion of the board there is no requirement making expected credit loss allowance. • We have also reviewed the management response and representation on recovery process initiated for sample receivables, and based on the same we have place reliance on these key controls for the purposes of our audit.
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Key audit matters	How the matter was addressed in our Audit
<p>Deferred Tax Assets</p> <p>Recognition and measurement of deferred tax assets The Group has deferred tax assets in respect of temporary differences and MAT credit entitlements.</p> <p>The recognition of deferred tax assets involves judgment regarding the likelihood of the reasonable certainty of realisation of these assets, in particular whether there will be taxable profits in future periods that support recognition of these assets.</p> <p>Management records deferred tax assets in respect of MAT credit entitlements, temporary differences and brought forward business losses in cases where it is reasonably certain based on the presumed profitability determined on the basis of management estimation that sufficient taxable income will be available to absorb the differed tax assets in future.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain reasonable audit assurance:</p> <ul style="list-style-type: none"> • Through discussions with management, we understood the Group's process for recording deferred tax assets; • Discussed with the management about the basis of the management estimations of the future revenue for the reasonable certainty of utilisation of the deferred tax assets and therefore recognition of deferred tax assets; and • Accordingly based on the projected business plan made by the management, for the purpose of recognition of deferred tax assets in the financial statements, the assets provisions seems to be reasonable.
<p>Investment and Loans to group companies</p> <p>The Group has investments in group company and associates which are considered to be associated with significant risk in respect of valuation of such investments. These investments are carried at cost. Management has given us confirmation that the investments are reviewed for impairment at each reporting date. This assessment is based on the presumed future financial performance of these underlying entities, which involve significant estimates and judgment, due to the inherent uncertainty involved in forecasting future cash flows. There is significant judgment in estimating the timing of the cash flows and the appropriate discount rate.</p> <p>In addition, considering the materiality of the investments in group companies, vis-à-vis the total assets of the Company, this is considered to be significant to our overall audit strategy and planning.</p> <p>The Group has also extended loans to group entities and related parties that are assessed for recoverability at each period end.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain reasonable audit assurance:</p> <ul style="list-style-type: none"> • Comparing the carrying amount of investments with the relevant group entity's balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those entities have historically been profit-making; • For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the profitability estimation by the management of these group entities; • Understanding the return prospects from the group entities, based on discussion with the management; and • Obtained independent confirmations to ensure completeness and existence of loans and advances held by related parties as on reporting date.

Key audit matters

How the matter was addressed in our Audit

Balances of Various Financial Assets and Liabilities

Refer Note No. 48 to the financial statements which describes that the balance of Receivables and Payables, including Trade Receivables, loans, deposits & advances given as well as taken, payable to vendors, etc, are subject to confirmation and consequent reconciliation and adjustments, if any. Hence, the effect thereof, on Profit/ Loss, Assets and Liabilities, if any, is not ascertainable.

We evaluated the management procedure and tested key controls employed by the management to review over the reconciliation and recoverability of the long outstanding assets and payability of long outstanding liabilities. Based on the explanations and representations provided by the management, it was explained to us that the Board is carrying out a regular review of balances of all outstanding assets and liabilities, based on the formal/ informal arrangements with the respective parties involved. As per their opinion, there will be no substantial impact on their reconciliation with their balance confirmations. Based on the same we have placed reliance on these key controls for the purposes of our audit.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation and presentation of these consolidated financial

statements that give a true and fair view of the financial position, consolidated financial performance including other comprehensive Income, consolidated changes in equity and consolidated and cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER MATTER

The consolidated financial statements include the audited financial statements of three subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹1888.47 lakhs as at March 31, 2024 (P.Y. ₹ 3381.24 lakhs), total revenue (before consolidation adjustments) of ₹994.18 lakhs (P.Y. ₹ 1231.14 lakhs) and total net profit after tax (before consolidation adjustments) of ₹663.58 lakhs (P.Y. ₹ 813.43 lakhs) and net cash inflows of ₹ 1883.92 lakhs (P.Y. ₹ (-) 294.68 lakhs) for the year ended on that date, as considered in the consolidated financial statements, which have been audited by their respective independent auditors. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Group to their Directors is in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the ‘Other matter’ paragraph:
 - a. The Group does not have any pending litigations which would impact its financial position, other than those mentioned in Note 39 to 41 (Contingent Liabilities) to the Consolidated financial statements;
 - b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group
 - d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- e. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in Note 45 to the consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.

The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- f. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

The financial statements of three subsidiaries to the consolidated financial statements of the Group, have not been audited by us under the provisions of the Act as of the date of this report. Therefore, we are unable to comment on the reporting requirement under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 in respect of these three subsidiaries.

2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report Order, 2020 (the "Order"/ "CARO") issued by Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanation given to us, and based on the CARO report issued by us for the Holding Company and by the respective statutory auditors of the subsidiary Companies, included in the consolidated financial statement of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Amit Saklecha
(Partner)
M. No.: 401133
UDIN: 24401133BKADTQ8752
Place: Mumbai
Date: May 24, 2024

ANNEXURE B TO AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **MONARCH NETWORK CAPITAL LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries & associate together referred to as "the Group") as of March 31, 2024 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Group has, in general, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were found

operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Group. However the same needs to be further improved and formally documented in view of the size of the group and nature of its business, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Amit Saklecha
(Partner)
M. No.: 401133
UDIN: 24401133BKADTQ8752

Place: Mumbai
Date: May 24, 2024

CONSOLIDATED STATEMENT OF BALANCE SHEET

as on March 31, 2024

(Currency: Indian Rupees in Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property Plant and Equipment	2	1,258.60	817.55
Intangible Assets	3	2.19	2.19
Financial assets			
- Investments	4	1,754.96	2,079.40
- Other Financial Assets	5	1,757.61	1,364.47
Deferred tax assets (Net)	6	109.60	111.59
Non-current Tax Assets (Net)	7	421.84	332.66
Total Non Current Assets		5,304.80	4,707.86
Current assets			
Inventories	8	958.77	1,688.57
Financial assets			
- Trade Receivables	9	8,322.82	4,371.35
- Cash and cash equivalents	10	863.27	4,778.37
- Balances other than Cash and cash equivalents	11	44,832.81	34,827.23
- Loans	12	20,109.79	10,101.19
- Other Financial Assets	13	-	-
Non Financial assets			
Other Current Assets		425.47	328.76
Total Current Assets	14	75,512.94	56,095.48
Total Assets		80,817.74	60,803.34
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	15	3,386.95	3,386.95
Other equity	16	31,204.43	18,793.06
Total Equity		34,591.38	22,180.01
Non-current liabilities			
Financial liabilities			
- Borrowings	17	195.16	228.66
- Provisions	18	293.85	225.76
Total Non Current Liabilities		489.01	454.41
Current liabilities			
Financial liabilities			
- Borrowings	19	11,100.86	56.04
- Trade payables	20	29,326.15	32,513.04
- Other financial Liabilities	21	4,593.28	5,287.66
Non-Financial liabilities			
- Current Tax Liabilities (Net)	22	4.82	75.59
- Provisions	23	263.73	146.96
- Other non-financial Liabilities	24	448.50	89.63
Total Current Liabilities		45,737.34	38,168.92
Total Equity & Liabilities		80,817.74	60,803.34

Significant Accounting Policies

1

Notes to the financial statements

2 to 78

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

As per our Report of even date

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

Amit Saklecha
(Partner)
M.No. 401133
UDIN: 24401133BKADTQ8752
Place : Mumbai
Date: May 24, 2024

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Gaurav Bhandari
(Chief Executive Officer)

Place : Mumbai
Date: May 24, 2024

Manju Bafna
(Whole-Time Director)
Din: 01459885

Nitesh Tanwar
(Company Secretary)
Membership No: F10181

Place : Mumbai
Date: May 24, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

as on March 31, 2024

(Currency: Indian Rupees in Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
INCOME			
Revenue From Operations	25		
(a) Interest Income		7,234.85	4,601.68
(b) Fees and Commission Income		13,443.66	8,537.06
(c) Merchant banking & Other Advisory services		4,386.43	2,269.90
(d) Asset Management Services		899.49	217.88
Total Revenue From Operations		25,964.44	15,626.52
Other Incomes	26	1,935.24	574.61
Total Income		27,899.67	16,201.13
EXPENSES			
Employee benefit expenses	27	4,260.05	4,924.20
Fees and commission expenses	28	2,729.97	2,189.68
Finance Costs	29	1,302.64	576.26
Depreciation & Amortization Expenses	2	173.60	112.40
Other Expenses	30	3,019.24	2,610.88
Provision for Standard Assets		2.23	-
Provision for Non Performing Assets		-	(5.04)
Total Expenses		11,487.73	10,408.38
Profit Before Exceptional Items, Extraordinary Items And Tax		16,411.95	5,792.75
Less: Prior Period expenses		(4.65)	(0.22)
Less: Extraordinary Items		-	-
Profit Before Tax		16,407.29	5,792.53
Tax Expenses			
Current Tax	33	4,033.63	1,479.46
Deferred tax		7.01	7.43
Short & Excess Tax Provision for earlier years		51.69	8.40
Total Tax Expenses		4,092.32	1,495.29
Profit for the Year (After Tax)		12,314.97	4,297.24
Add : Share of Profit/(Loss) from Associates		-	(0.07)
Net Profit		12,314.97	4,297.16
Other Comprehensive Income	31		
A (i) Items that will not be reclassified to profit or loss			
(i) Remeasurement gain/losses on defined benefit plans		(19.94)	4.18
(ii) Equity Instruments through other comprehensive Income		-	(436.07)
(iii) Income tax related to items that will not be reclassified to profit or loss		5.02	(1.05)
Total Comprehensive Income for the year		12,300.05	3,864.22
Earnings Per equity share of face value of ₹10 each			
Basic (in ₹)	32	36.36	12.69
Diluted (in ₹)	32	36.36	12.69

Significant Accounting Policies 1
Notes to the financial statements 2 to 78
Notes referred above form an integral part of the financial statements.

As per our Report of even date

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

Amit Saklecha

(Partner)
M.No. 401133
UDIN: 24401133BKADTQ8752
Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Gaurav Bhandari
(Chief Executive Officer)

Place : Mumbai
Date : May 24, 2024

Manju Bafna
(Whole-Time Director)
Din: 01459885

Nitesh Tanwar
(Company Secretary)
Membership No: F10181

Place : Mumbai
Date : May 24, 2024

CASH FLOW STATEMENT

For The Year Ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax from continuing operations	16,373.78	5,792.53
Profit/(loss) before tax from discontinued operations		
Profit before tax	16,373.78	5,792.53
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and amortisation	173.60	112.40
Finance cost	1,302.64	576.26
Employee Compensation expenses	448.87	
Other Interest incomes	(112.31)	115.15
Dividend Income	(12.70)	(7.35)
Share of Profit/(Loss) from Associates	7.05	
Share of Profit/(Loss) from Investment	(696.18)	
Provision for Non Performing Assets		(5.04)
Remeasurements of the defined benefit plans	19.94	4.18
	17,504.69	6,588.13
Working capital adjustments		
Inventories	729.79	(293.32)
Trade receivables	(3,951.47)	(349.24)
Balances other than Cash and cash equivalents	(10,005.58)	6,362.15
Loans	(10,008.59)	(5,309.99)
Other Financial Assets		275.00
Other Non-Financial Assets	(96.70)	160.48
Trade payables	(3,186.89)	(8,778.50)
Provisions	184.86	83.71
Other financial liabilities	(694.38)	1,006.86
Other non-financial Liabilities	358.87	(122.99)
	(9,165.40)	(377.72)
Income Tax paid	(4,257.52)	(1,699.77)
Net cash flows from operating activities	(13,422.92)	(2,077.49)
Cash flow from investing activities		
Payment for purchase and construction of property, plant and equipment (Net of proceeds from sales)	(614.65)	(404.64)
Proceeds from sale of Investments	1,020.62	(1,315.93)
Other Interest incomes	112.31	(115.15)
Dividend Income	12.70	7.35
Proceeds /(Repayment) of Other Non Current Financial Assets	(393.14)	54.78
Net cash flows from investing activities	137.84	(1,773.59)

CASH FLOW STATEMENT

For The Year Ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash flow from financing activities		
Proceeds from issue of share capital & Others		1,521.79
Proceeds /(Repayment) of borrowings from banks/ FI	11,011.32	(1,447.73)
Proceeds /(Repayment) of borrowings from others		30.00
Dividend Paid	(338.70)	-
Finance charges paid	(1,303)	(576.26)
Net cash flows from financing activities	9,369.99	(472.20)
Net increase / (decrease) in cash and cash equivalents	(3,915.10)	(4,323.28)
Cash and cash equivalents at the beginning of the year	4,778.37	9,101.66
Cash and cash equivalents at the end of the year	863.27	4,778.37
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	863.27	4,778.37
Cash and Cash equivalents as restated as at the year end	863.27	4,778.37

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

As per our Report of even date

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

Amit Saklecha
(Partner)
M.No. 401133
UDIN: 24401133BKADTQ8752
Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Gaurav Bhandari
(Chief Executive Officer)

Place : Mumbai
Date : May 24, 2024

Manju Bafna
(Whole-Time Director)
Din: 01459885

Nitesh Tanwar
(Company Secretary)
Membership No: F10181

Place : Mumbai
Date : May 24, 2024

STATEMENT OF CHANGES IN EQUITY

For The Year Ended March 31, 2024

(Currency: Indian Rupees in Lakhs)

(A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	338.70	3,386.95	310.50	3,104.95
Balance				
Changes in Equity Share Capital due to prior period errors			-	-
Restated balance at the beginning of the current reporting period	338.70	3,386.95	310.50	3,104.95
Changes in equity share capital during the year	-	-	28.20	282.00
Balance at the end of the reporting period	338.70	3,386.95	338.70	3,386.95

(B) OTHER EQUITY

Particulars	Reserves & Surplus					Other comprehensive income		Total
	Capital Reserve	Securities Premium	Share Based Payment Reserve	Share warrant	Retained earnings	Remeasurements of the net defined benefit Plans	Fair valuation of investments in equity shares	
Balance at March 31, 2022	151.64	3,475.69	-	538.20	9,105.04	(17.59)	436.07	13,689.04
Profit for the year	-	-	-	-	4,297.16	-	-	4,297.16
Other comprehensive income for the year	-	-	-	-	-	3.13	(436.07)	(432.94)
Dividend Declared during the year	-	-	-	-	(310.50)	-	-	(310.50)
Share Warrants issued during the Year	30.60	1,748.40	-	(538.20)	-	-	-	1,240.80
Employee Compensation Expenses recognised during the year	-	-	309.49	-	-	-	-	309.49
Total additions for the year	30.60	1,748.40	309.49	(538.20)	3,986.67	3.13	(436.07)	5,104.00
Balance at March 31, 2023	182.24	5,224.09	309.49	-	13,091.71	(14.46)	-	18,793.06
Profit for the year	-	-	-	-	12,314.97	-	-	12,314.97
Other comprehensive income for the year	-	-	-	-	-	(14.92)	-	(14.92)
Dividend Declared during the year	-	-	-	-	(338.70)	-	-	(338.70)
Minority Share of Loss (NFSL) 45.31%	-	-	-	-	1.15	-	-	1.15
Share of opening reserve (Money Changer)	-	-	-	-	-	-	-	-
Share Warrants issued during the Year	-	-	-	-	-	-	-	-
Employee Compensation Expenses recognised during the year	-	-	448.87	-	-	-	-	448.87
Total additions for the year	-	-	448.87	-	11,977.43	(14.92)	-	12,411.38
Balance at March 31, 2024	182.24	5,224.09	758.36	-	25,069.13	(29.39)	-	31,204.43

As per our Report of even date

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

Amit Saklecha
(Partner)
M.No. 401133
UDIN: 24401133BKADTQ8752
Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board

Vaibhav Shah
(Managing Director)
Din:00572666

Gaurav Bhandari
(Chief Executive Officer)

Place : Mumbai
Date : May 24, 2024

Manju Bafna
(Whole-Time Director)
Din: 01459885

Nitesh Tanwar
(Company Secretary)
Membership No: F10181

Place : Mumbai
Date : May 24, 2024

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

1.1 COMPANY INFORMATION

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

The Company, its Subsidiaries (jointly referred to as the “Group” herein under) considered in this Consolidated Financial Statement are:

1.1.1 Subsidiaries

Name of the Company	Principal Activities	Proportion (%) of equity Interest	
		As at March 31, 2024	As at March 31, 2023
Monarch Network Finserve Private Limited	NBFC Business	100	100
Monarch Network Investment Advisory Private Limited	Insurance Business	99.99	99.99
Monarch Network Capital IFSC Private Limited	IFSC Activities	99.99	99.99

SIGNIFICANT ACCOUNTING POLICIES

1.2 BASIS OF PREPARATION

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

Subsidiaries are entities where the group exercises or controls more than one-half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the

consolidated financial statements up to their date of disposal, being the date control ceases.

1.2.2 The Consolidated Financial Statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value :

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

1.2.3 Functional and presentation currency:

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

1.2.4 Current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

1.2.5 Basis of consolidation

Accounting for subsidiaries

Subsidiaries are all entities over which the group

has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable asset at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Non-controlling interest is presented separately from the liabilities or assets and the equity of the shareholders in the consolidated Balance Sheet. Non-controlling interest in the profit or loss of the Group is separately presented.

Equity accounted investee

The Group's interests in equity accounted investees include interest in a joint venture. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

accounted investees until the date on which significant influence or joint control ceases.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. Unrealised gain on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

1.2.6 Business Combination

The Group has selected to apply the relevant Ind AS, viz. Ind AS103, Business Combinations, to only those business combinations that occurred on or after April 1, 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

1.2.7 Revenue recognition

Service Income

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

respective interest cost.

Interest income

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

Dividends

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

1.2.8 Property, plant and equipment

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

Items of spare parts that meet the definition of 'property, plant and equipment' have been recognised as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

1.2.9 Intangible Assets

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

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

Amortisation methods, estimated useful lives and residual value

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

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

1.2.10 Impairment of non-financial assets

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

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

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

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

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

1.2.11 Leases- Company as a lessee

Policy applicable with effect from April 1, 2019

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

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

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

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

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

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

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

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

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

Transition to Ind AS 116

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

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

Company as a lessee

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

On transition, the Company has applied following practical expedients:

- Applied a single discount rate to a portfolio of leases of similar assets in similar

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

economic environment with similar end date.

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

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

1.2.12 Borrowing costs

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

1.2.13 Financial instruments

A. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or

loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Subsequent measurement

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

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

Financial asset at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial asset at FVTOCI

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

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

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

Financial instrument at FVTPL

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

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

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

Equity investments

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

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

De-recognition

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

1. The rights to receive cash flows from the asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

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

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

Impairment of financial assets

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

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

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

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

from all possible default events over the life of the financial instrument).

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

1. Trade receivables or contract revenue receivables; and
2. All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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.

Notes to Consolidated Financial Statements

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

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

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

B. Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial

liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

Loans and borrowings

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

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

Notes to Consolidated Financial Statements

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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.

1.2.14 Taxes

Current income tax

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

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

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

Deferred tax

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

Notes to Consolidated Financial Statements

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(Currency: ₹ in lakhs)

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

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

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

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

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

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

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

MAT credit becomes eligible to be recognized; it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement).

The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

1.2.15 Inventories

Inventories are valued at the Market Value.

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

1.2.16 Employee benefits

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

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

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

1. The date of the plan amendment or curtailment, and
2. The date that the Company recognises related restructuring costs. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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

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

Long-term employee benefits

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

1.2.17 Cash and cash equivalents

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

1.2.18 Segment accounting:

The Chief Operational Decision Maker monitors the operating results of its business Segments

separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Consolidated Financial Statements.

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

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

1.2.19 Provisions, Contingent liabilities, Contingent assets and Commitments:

General

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

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

Notes to Consolidated Financial Statements

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(Currency: ₹ in lakhs)

Contingent liability is disclosed in the case of:

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

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

1.2.20 Earnings per share

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

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

1.2.21 Use of estimates and judgments

The presentation of the Consolidated Financial Statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that

affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of Consolidated Financial Statements. The actual outcome may differ from these estimates.

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

The following are significant management judgements in applying the accounting policies of the Company that have a significant effect on the Consolidated Financial Statements.

Recognition of deferred tax assets

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

Classification of assets and liabilities into current and non-current

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

Impairment of assets

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

Notes to Consolidated Financial Statements

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(Currency: ₹ in lakhs)

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

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

Defined benefit obligation (DBO)

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

Fair value measurements

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

1.2.22 Statement of cash flows

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

1.2.23 Fair value measurement

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

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

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

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

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

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

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

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

Notes to Consolidated Financial Statements

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(Currency: ₹ in lakhs)

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

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

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE 2: PROPERTY, PLANT & EQUIPMENT

Description	Air Conditioners	Computer	Furniture & Fixtures	Vehicles	Office Equipment	Leasehold Improvements	Office Premises	Total
Gross Carrying Amount								
As at April 1, 2022 (A)	87.12	485.69	124.24	216.09	127.60	13.51		1,054.25
Additions	2.17	96.71	0.17	22.86	22.67	63.13	196.97	404.67
Deletions	-	0.70	-	-	-	-	-	0.70
As at March 31, 2023 (B)	89.29	581.70	124.41	238.95	150.27	76.63	196.97	1,458.22
Additions	47.93	66.57	24.05	403.43	66.32	-	8.00	616.29
Deletions	0.26	1.48	0.32	11.60	3.02	-	-	16.68
As at March 31, 2024 (C)	136.96	646.79	148.14	630.78	213.56	76.63	204.97	599.61
Accumulated Depreciation								
As at April 1, 2022 (D)	43.29	284.75	61.63	67.39	71.84	0.04		528.93
Depreciation for the period	15.90	45.60	8.35	20.36	15.87	3.53	2.78	112.40
Deletions	-	0.67	-	-	-	-	-	0.67
As at March 31, 2023 (E)	59.19	329.69	69.99	87.75	87.71	3.57	2.78	640.67
Depreciation for the period	21.45	58.84	10.10	42.46	24.28	13.08	3.40	173.60
Deletions	0.24	1.23	0.12	11.12	2.32	-	-	15.04
As at March 31, 2024 (F)	80.39	387.30	79.96	119.08	109.67	16.65	6.19	799.23
Net Block								
As at March 31, 2023 (B) - (E)	30.10	252.01	54.43	151.21	62.56	73.06	194.18	817.55
As at March 31, 2024 (C) - (F)	56.57	259.49	68.18	511.70	103.89	59.99	198.78	1,258.60

Notes:

1. Title deeds of Immovable Properties held in name of the Company

The immovable properties (Office Premises) is held in the name of the Company & the title deeds are clear from any encumbrances.

2. Revaluation of PPE

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

NOTE: 3 INTANGIBLE ASSETS

Description	Computer Software
Gross Carrying Amount	
As at April 1, 2022 (A)	11.42
Additions	-
Deletions	-
As at March 31, 2023 (B)	11.42
Additions	-
Deletions	-
As at March 31, 2024 (C)	11.42
Accumulated Depreciation	
As at April 1, 2022 (D)	8.27
Amortisation for the period	0.97
Deletions	-
As at March 31, 2023 (E)	9.24

Notes to Consolidated Financial Statements

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(Currency: ₹ in lakhs)

Description	Computer Software
Amortisation for the period	-
Deletions	-
As at March 31, 2024 (F)	9.24
Net Block	
As at March 31, 2023 (B) - (E)	2.19
As at March 31, 2024 (C) - (F)	2.19

Notes:

1. Revaluation of Intangible assets

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

NOTE: 4 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current Investments		
A. Investment in other equity instruments measured at Fair Value through Profit or Loss (Quoted)		
- Sadbhav Engineering Limited (1,310 (Previous year: 1,310)) equity shares of Re. 1 each, fully paid up)	0.24	0.24
- Deep Industries Limited (600000 (Previous Year:300000)) equity shares of ₹ 5 each, fully paid up)	684.30	684.30
- Bombay Stock Exchange Limited (NIL (Previous year: 13,329)) equity shares of ₹ 2 each, fully paid up)	-	0.01
- Rattanpower India Limited (2,29,000 (Previous year: 2,29,000)) equity shares of ₹ 10 each, fully paid up)	70.42	70.42
	754.96	754.97
B. Investment in Mutual/Other Funds measured at Fair Value through OCI (Quoted)		
- Monarch Network Capital Limited Compounder Fund	-	236.54
- Monarch Network Capital Limited Compounder Fund AIF - I	1,000.00	1,000.00
	1,000.00	1,236.54
Total Quoted Investment (A+B)	1,754.96	1,991.51
C. Investment in equity of subsidiaries (Unquoted,fully paid-up)		
Investment in Network Financial Service Limited (NIL (Previous year: 9,49,400) equity shares of ₹ 10 each, fully paid up)	-	87.89
	-	87.89
Total Investments	1,754.96	2,079.40
Aggregate amount of quoted investments and market value thereof	1,754.96	1,991.51
Aggregate amount of unquoted investments	-	87.89
Total	1,754.96	2,079.40

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 5 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured considered good unless stated otherwise :		
a. Security Deposits		
Deposit with Stock Exchange & Financial Institutions *	234.05	265.10
Additional Base capital with Clearing Member	466.00	-
b. Other Deposits		
Deposits for Arbitration/Assessment Order**	252.99	252.36
Deposits for Office Premises	798.86	838.11
Deposits for Telephone, VSAT, Electricity etc.	5.70	8.89
Total	1,757.61	1,364.47

Notes:

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

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

NOTE: 6 DEFERRED TAX ASSET (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
The movement on the deferred tax account is as follows:		
At the start of the year	111.59	120.07
Charge/(credit) to statement of Profit and Loss	(1.99)	(8.48)
At the end of the year	109.60	111.59
Total	109.60	111.59

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

NOTE: 7 NON-CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with Revenue Authorities (net of provisions)	421.84	332.66
Total	421.84	332.66

NOTE: 8 INVENTORIES

Particulars	As at March 31, 2024	As at March 31, 2023
Stock in Trade*	958.77	1,688.57
Total	958.77	1,688.57

Notes:

* Stock in trade represents shares held as on balance sheet date at valued at fair value being shares held by virtue of acting as a merchant banker and market maker for the acquired equity shares.

Balance in vandha & trading error A/c. are basically shares held as a result of Trading Error or Vandha Accounts of clients. In absence of information, disclosure relating quantity has not been given.

Notes to Consolidated Financial Statements

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(Currency: ₹ in lakhs)

NOTE: 9 TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables from Stock Broking Activities (Secured)		
- considered good, outstanding for more than six month	317.88	382.25
- considered good, outstanding for less than six month	7,242.13	2,953.22
	7,560.00	3,335.47
Less: Provision Considered Doubtful	(116.50)	-
Total Trade Receivables	7,443.51	3,335.47
Others Trade Receivables (Considered good)		
Other Receivables	879.31	1,035.89
Total	8,322.82	4,371.35

Notes:

- The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. As per management opinion, there is no Expected Credit Loss in Trade Receivables of the Company and all are on fair value, based on the assessment and judgement made by the management comprising directors of the company.
- The company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 36 : Fair value disclosures.
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from entities in which any of the company director is a partner, a director or holds controlling interest.
- Please also refer Note No. 74 for the Trade Receivables Ageing Schedule.

NOTE: 10 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on Hand	3.13	2.14
Balance with Banks in current accounts	860.15	4,776.24
Total	863.27	4,778.37

Notes:

Bank balances as on March 31, 2024 and as on March 31, 2023 include cheques on hands, which were cleared subsequent to the year end on periodic basis.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 11 BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposits held as margin deposits*	44,357.62	34,424.23
Other Fixed Deposits	475.19	403.00
Total	44,832.81	34,827.23

Notes:

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

NOTE: 12 LOANS

Particulars	As at March 31, 2024	As at March 31, 2023
Loans measured at Amortised Cost		
Against Margin trading facility*	19,342.28	9,890.38
Against NBFC Funding	767.51	210.82
Total	20,109.79	10,101.19

Notes:

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

NOTE: 13 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Receivables from Associate Companies	-	-
Receivables from other Related Parties	-	-
Receivable towards Exchange Early Pay-in	-	-
Total	-	-

NOTE: 14 OTHER CURRENT ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Advances to Staff	14.41	24.32
Advances to Suppliers	14.07	50.92
Advance to Branches	1.93	2.19
Advance against capital goods	100.00	100.00
Prepaid Expenses	295.06	141.36
Interest accrued but not due	-	9.97
Total	425.47	328.76

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 15 SHARE CAPITAL

Particulars	As at March 31, 2024	As at March 31, 2023
a Authorised :		
Equity Shares of ₹ 10/- each		
540,00,000 (Previous year 540,00,000) Equity Shares of ₹ 10/- each	5,400.00	5,400.00
60,00,000 (Previous year 60,00,000) Redeemable Preference Shares of ₹ 10 each	600.00	600.00
5,00,000 (Previous year 5,00,000) - 6% Cumulative Redeemable preference Share of ₹ 100/- each	500.00	500.00
TOTAL	6,500.00	6,500.00
b Issued and Subscribed and Paid up:		
3,10,49,518 (Previous year 3,10,49,518) Equity shares fully paid up	3,386.95	3,104.95
Add: Issued during the year 28,20,000 Equity shares	-	282.00
TOTAL	3,386.95	3,386.95
c Reconciliation of number of shares outstanding at the beginning and end of the year :		
Equity share :		
Outstanding at the beginning of the year	338.70	310.50
Add/(Less) : Issued during the year	-	28.20
Equity shares allotted as fully paid bonus shares by capitalisation of reserves	-	-
Equity Shares bought back during the year	-	-
Outstanding at the end of the year	338.70	338.70

d Terms / Rights attached to each classes of shares

Terms / Rights attached to Equity shares

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

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

The Board of Directors of Monarch network Capital Ltd, have recommended a Dividend for the financial year ended on 31/03/2024 @ 10% (i.e. ₹ 1/-) per equity share (Previous Year @ 10% (i.e. ₹ 1/-) per equity share) to the equity shareholders. The Dividend will be paid after the approval of shareholders at ensuing Annual General Meeting. The date of book closure/ record date for the entitlement of such dividend and Annual General Meeting shall be decided and informed in due course of time.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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

Equity share	As at March 31, 2024		As at March 31, 2023	
	No. of Shares (In Lakhs)	%	No. of Shares (In Lakhs)	%
Vaibhav Jayantilal Shah	34.74	10.26%	31.09	9.18%
Suresh Babulal Bafna	25.13	7.42%	25.13	7.42%
Bela Himanshu Shah	24.86	7.34%	24.06	7.10%
Bankim Jayantilal Shah	22.06	6.51%	22.06	6.51%
Gaurav Bhandari	18.00	5.31%	18.00	5.31%

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

Equity share	As at 31-03-2024		
	No. of Shares (In Lakhs)	%	% Change during the year
Ashok Daulatraj Bafna	7.04	2.08%	0.00%
Bankim Jayantilal Shah	22.06	6.51%	0.00%
Bela Himanshu Shah	24.86	7.34%	3.33%
Hemangi Bankim Shah	1.00	0.30%	0.00%
Himanshu Jayantilal Shah	13.10	3.87%	8.66%
Kinnari Vaibhav Shah	13.14	3.88%	9.14%
Manju Suresh Bafna	15.63	4.61%	0.00%
Shailen Ramesh Shah	7.04	2.08%	0.00%
Simandhar Securities Pvt Ltd	14.46	4.27%	0.00%
Suresh Babulal Bafna	25.13	7.42%	0.00%
Vaibhav Jayantilal Shah	34.74	10.26%	11.74%
Anushree Himanshubhai Shah	1.00	0.30%	0.30%
Vrushali Himanshu Shah	3.74	1.10%	1.10%
Kavish Vaibhav Shah	0.25	0.07%	0.07%
Himanshu Jayantilal Shah - HUF	0.15	0.04%	0.04%
Yantra Esolarindia Private Limited	6.08	1.80%	1.80%

Equity share	As at 31-03-2023		
	No. of Shares (In Lakhs)	%	% Change during the year
Ashok Daulatraj Bafna	7.04	2.08%	0.00%
Bankim Jayantilal Shah	22.06	6.51%	0.00%
Bela Himanshu Shah	24.06	7.10%	0.00%
Hemangi Bankim Shah	1.00	0.30%	0.00%
Himanshu Jayantilal Shah	12.06	3.56%	0.00%
Kinnari Vaibhav Shah	12.04	3.55%	0.00%
Manju Suresh Bafna	15.63	4.61%	1.30%

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Equity share	As at 31-03-2023		
	No. of Shares (In Lakhs)	%	% Change during the year
Shailen Ramesh Shah	7.04	2.08%	0.00%
Simandhar Securities Pvt Ltd	14.46	4.27%	0.00%
Suresh Babulal Bafna	25.13	7.42%	0.00%
Vaibhav Jayantilal Shah	31.09	9.18%	0.00%

- g** The company had not issued any bonus share for consideration other than cash and no share had bought back during the period of five years immediately preceding the reporting date.
- h** During the financial year 2021-2022, the Company has issued 29,90,000 Fully Convertible Warrants to the persons belonging to 'Non-Promoter' category, on a preferential basis, at a issue price of ₹ 72/- per warrant, for an aggregate amount of ₹ 2,152.80 lacs, entitling them for subscription of equivalent number of fully paid-up Equity Shares of face value of ₹ 10/- each (including premium of ₹ 62/- per Share), under Regulation 28(1) of the SEBI (LODR) Regulations, 2015.

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

NOTE: 16 OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
Reserves & Surplus		
Capital reserve - at the beginning of the year	182.24	151.64
Add: Addition during the year	-	30.60
At the end of the year	182.24	182.24
Securities premium - at the beginning of the year	5,224.09	3,475.69
Add: Addition during the year	-	1,748.40
At the end of the year	5,224.09	5,224.09
Share Warrants - at the beginning of the year	-	538.20
Add: Addition during the year (Refer Note 15(h))	-	1,522.80
Less: Adjustment during the year (Refer Note 15(h))	-	(2,061.00)
At the end of the year	-	-
Share Based Payment Reserve (Refer Note 57)		
At the beginning	309.49	
Add: Addition during the year	448.87	309.49
At the end of the year	758.36	309.49
Retained earnings - at the beginning of the year	13,091.71	9,105.04
Add: Addition during the year	12,314.97	4,297.16
Add: Adjustments	(0.00)	
Add: Dividend Declared	(338.70)	(310.50)
Add: Sale of Investments	1.15	
At the end of the year	25,069.13	13,091.71

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Reserves & Surplus	31,233.82	18,807.52
Other comprehensive income		
Remeasurements of the net defined benefit Plans	(14.46)	(17.59)
Add: Addition during the year	(14.92)	3.13
At the end of the year	(29.39)	(14.46)
Fair valuation of investments in equity shares	-	436.07
Add: Addition during the year	-	(436.07)
At the end of the year	-	-
Total Other comprehensive income	(29.39)	(14.46)
Total Other Equity	31,204.43	18,793.06

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

- a) **Capital reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase.
- b) **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc..
- c) **Share Based Payment Reserve:** This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by the Company. Once shares are issued by the Company, the amount in this reserve will be transferred to Share capital, Securities premium or retained earnings
- d) **Retained earnings:** Retained earnings represents undistributed profits of the company.
- e) **Other comprehensive income:**
 - (i) The company has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity.
 - (ii) Remeasurements of defined benefit liability comprises of actuarial gains and losses.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 17 NON CURRENT BORROWING

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Borrowings		
Vehicle Loans (Non Current Maturities)		
Loan from Kotak Mahindra Prime Limited	3.66	7.45
Loan from Daimler Financial Services India Ltd	-	11.75
Loan from BMW India India Financial Services Pvt. Ltd.	6.12	16.06
Loan from AXIS Bank LTD	185.39	-
(Secured against hypothecation of respective vehicles)		
Unsecured Borrowings		
Loan from related parties	-	193.40
Total	195.16	228.66

NOTE: 18 NON CURRENT PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity	293.85	225.76
Total	293.85	225.76

NOTE: 19 CURRENT BORROWINGS

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Borrowings		
Overdraft from HDFC Bank	2,105.65	-
(Secured against hypothecation of Office premises & Securities, and Personal guarantee of Key Management Personnels)		
Current Maturities		
Vehicle Loans (Current Maturities)		
Loan from Kotak Mahindra Prime Limited	3.77	3.47
Loan from Daimler Financial Services India Ltd	12.05	13.33
Loan from BMW India India Financial Services Pvt. Ltd.	9.98	9.24
Loan from Axis Bank LTD	111.06	
Unsecured Borrowings		
Loans from shareholders		
- Other than promoter group	30.00	30.00
- Related Parties	4,440.83	-
Loans from Commercial Paper	4,387.50	
Total	11,100.86	56.04

Notes:

Please refer Note 59 regarding the carrying amounts of assets pledged as security for borrowings.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 20 TRADE PAYABLE

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payable - Stock Broking	29,175.52	32,280.29
Trade Payable -Expenses	75.63	159.66
Trade Payable -Others	75.00	73.09
Total	29,326.15	32,513.04

Notes:

- Please refer Note 43 -Dues to micro, small and medium enterprises, of the Financial Statements regarding dues to micro and small enterprises
- Please also refer Note No. 75 for the Trade Payable Ageing Schedule

NOTE: 21 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Salary & Reimbursements	26.36	133.69
Deposits from Clients	4,266.68	4,807.53
Deposits from Business Associates	257.79	249.66
Other Current Liabilities	42.45	96.78
Total	4,593.28	5,287.66

NOTE: 22 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax Payable (net of advance taxes/TDS)	4.82	75.59
Total	4.82	75.59

NOTE: 23 CURRENT PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Expenses	75.99	12.94
Provision for Gratuity (Current)	48.06	38.00
Provision for CSR	136.61	95.18
Provisions for Standard Assets	3.07	0.84
Total	263.73	146.96

NOTE: 24 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Remittances	446.78	88.87
Advance Brokerage from Client	1.73	0.76
Total	448.50	89.63

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 25 REVENUE FROM OPERATIONS

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Revenue from operations		
(a) Interest Income		
Interest on margin funding	1,985.04	932.63
Interest on delayed payment	1,966.68	1,487.34
Interest on fixed deposits under the lien with stock exchanges	3,247.12	2,095.55
Interest from NBFC Services	36.01	86.16
	7,234.85	4,601.68
(b) Fees and Commission Income		
Brokerage	12,099.31	7,430.58
Income from depository Operation	389.64	232.27
Financial Products Distribution	214.64	214.31
Income from Insurance services	136.21	124.39
Other Operating Income	603.86	535.51
	13,443.66	8,537.06
(c) Merchant banking & Other Advisory Services		
Merchant Banking Services	3,586.58	473.69
Other Advisory Services	799.85	1,796.21
	4,386.43	2,269.90
(d) Asset Management Services	899.49	217.88
Total	25,964.44	15,626.52

Notes:

Please refer Note 58 regarding additional disclosure for Revenue from Contract with Customers

NOTE: 26 OTHER INCOME

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
(a) Net Gain on Fair Value Changes	1,108.55	437.76
(b) Profit On Sale of Investments	696.18	-
(c) Other Income		
Dividend Income	12.70	7.35
Interest Income		
(i) From banks on fixed deposits	16.95	-
(ii) Other interest income	25.06	80.84
Other non-operating income	75.80	48.66
Total	1,935.24	574.61

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE: 27 EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Salary & Other Allowances		
Employee Salary	2,969.43	2,701.73
Director Remuneration	205.52	75.19
Performance Incentive	350.18	1,577.88
Contribution to Provident & Other fund	177.65	141.26
Staff Welfare Charges	108.41	118.66
Employee Compensation Expenses	448.87	309.49
Total	4,260.05	4,924.20

NOTE: 28 FEES AND COMMISSION EXPENSE

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Sub Brokerage & Commission Expenses	2,729.97	2,189.68
Total	2,729.97	2,189.68

NOTE: 29 FINANCE COST

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Interest expense on:		
Temporary overdrafts availed from banks	11.75	12.72
Car Loans	20.66	6.23
On Commercial paper discount charges	265.18	
On Interest expense on intercorporate deposits	524.45	46.21
Other Interests	275.84	326.77
Other borrowing costs:		
Bank Guarantee Charges	194.76	163.22
Other Charges	10.00	21.10
Total	1,302.64	576.26

NOTE: 30 OTHER EXPENSES

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Legal & Professional Charges	609.19	485.78
Sales & Marketing expenses	81.82	82.50
Depository charges	123.57	86.27
Exchange Expenses	34.75	229.33
Connectivity Charges	141.89	110.49
Software Charges	389.94	259.38
Rent Rates & Taxes	584.34	545.89
Electricity Charges	79.50	75.98

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Telephone Charges	25.81	25.96
Repairs & Maintenance	95.78	74.06
Manpower supply charges	9.33	14.50
Postage & Courier Charges	14.04	12.09
Conveyance & Travelling	146.62	102.47
Printing and stationery	12.33	16.43
Office expenses	42.25	44.62
Membership Fees & Subscription	103.03	75.60
Insurance expenses	2.02	5.28
Auditors' Remuneration (Refer Note 53)	6.60	6.80
Corporate Social Responsibility	194.30	95.18
Charity & Donations	0.45	3.17
Loss on sale of stock-in-error	8.31	(7.40)
Other Expenses	110.31	73.24
Provision for Doubtful Debts/Balances w/off	110.12	37.77
Advertisement & Business Promotion Expenses	92.94	155.51
Total	3,019.24	2,610.88

NOTE: 31 STATEMENT OF OTHER COMPREHENSIVE INCOME

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans	(19.94)	4.18
(ii) Equity Instruments through Other Comprehensive Income	-	(436.07)
(iii) Income tax relating to items that will not be reclassified to profit or loss	5.02	(1.05)
Total	(14.92)	(432.94)

NOTE: 32 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
i. Profit attributable to Equity holders		
Profit attributable to equity holders :		
Continuing operations	12,314.97	4,297.16
Discontinued operations		-
Profit attributable to equity holders for basic earnings	12,314.97	4,297.16
Profit attributable to equity holders adjusted for the effect of dilution	12,314.97	4,297.16
ii. Weighted average number of ordinary shares		
Issued ordinary shares at April 1	338.70	310.50
Effect of shares issued as Bonus shares		28.20
Weighted average number of shares at March 31 for Basic EPS	338.70	338.70
Weighted average number of shares at March 31 for Diluted EPS	338.70	338.70
	INR	INR
Basic earnings per share	36.36	12.69
Diluted earnings per share	36.36	12.69

NOTE: 33 TAX EXPENSE

(a) Amounts recognised in profit and loss

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Current income tax	4,033.63	1,479.46
Changes in tax estimates of prior years	51.69	8.40
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	7.01	7.43
Deferred tax expense	7.01	7.43
Tax expense for the year	4,092.32	1,495.29

(b) Amounts recognised in other comprehensive income

	For the year ended March 31, 2024		
	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(19.94)	5.02	(14.92)
Equity Instruments through Other Comprehensive Income	-	-	-
Items that will be reclassified to profit or loss	-	-	-
	(19.94)	5.02	(14.92)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

	For the year ended March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of the defined benefit plans	4.18	(1.05)	3.13
Equity Instruments through Other Comprehensive Income	(436.07)	-	(436.07)
Items that will be reclassified to profit or loss	-	-	-
	(431.88)	(1.05)	(432.94)

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

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Profit before tax	16,407	5,793
Statutory income tax rate	25.168%	25.168%
Tax using the Company's domestic tax rate	4,129.39	1,457.86
Tax effect of:		
Non-deductible tax expenses	158.60	69.79
Sale Of Investments	36.23	-
Deductions Under Income Tax Act	(290.72)	(47.27)
Subsidiary / Other Adjustments	0.13	(0.93)
	4,033.63	1,479.46

(d) Movement in deferred tax balances

Particular	Net balance April 1, 2023	Recognised in profit or loss	Recognised in OCI	March 31, 2024	
				Net	Deferred tax asset/ (Deferred tax liability)
Deferred tax asset/(Liabilities)					
Property, plant and equipment	46.46	(18.81)	-	27.65	27.65
Compensated absences and gratuity	65.13	11.80	5.02	81.96	81.96
Tax assets (Liabilities)	111.58	(7.01)	5.02	109.61	109.60
Set off tax	-	-	-	-	-
Net tax assets	111.58	(7.01)	5.02	109.61	109.60

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

(e) Movement in deferred tax balances

Particular	Net balance April 1, 2022	Recognised in profit or loss	Recognised in OCI	March 31, 2023	
				Net	Deferred tax asset/ (Deferred tax liability)
Deferred tax asset/(liabilities)					
Property, plant and equipment	61.09	(14.63)	-	46.46	46.46
Compensated absences and gratuity	58.98	7.20	(1.05)	65.13	65.13
Tax assets (Liabilities)	120.07	(7.43)	(1.05)	111.58	111.59
Set off tax	-	-	-	-	-
Net tax assets	120.07	(7.43)	(1.05)	111.58	111.59

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

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

NOTE: 34 EMPLOYEE BENEFIT EXPENSE

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

(i) Defined Contribution Plans:

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

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Provident Fund	96.08	85.71
Contribution to ESIC	5.55	5.67
Total	101.63	91.38

(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.

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(Currency: ₹ in lakhs)

ii) On death in service:

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	March 31, 2024	March 31, 2023
Net defined benefit asset (grouped as "Advances to Suppliers")	6.29	6.08
Total employee benefit asset	6.29	6.08
Net defined benefit liability		
Liability for Gratuity	341.91	263.75
Total employee benefit liabilities	341.91	263.75
Non-current	293.85	225.76
Current	48.06	38.00

B. Movement in net defined benefit (asset) liability

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

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Opening balance	269.83	248.47	6.08	8.89	263.75	239.57
Included in profit or loss					-	-
Current service cost	52.45	32.84	-	-	52.45	32.84
Past service cost		-	-	-	-	-
Interest cost (income)	19.24	11.38	0.44	-	18.80	11.38
Others		-	-	-	-	-
	341.52	292.69	6.52	8.89	335.00	283.79
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	1.21	(13.98)	-	-	1.21	(13.98)
Experience adjustment	16.24	7.05	-	-	16.24	7.05
Return on plan assets excluding interest income	-	-	(0.24)	0.32	0.24	(0.32)

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(Currency: ₹ in lakhs)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	17.46	(6.93)	(0.24)	0.32	17.69	(7.26)
Other						
Contributions paid by the employer		(3.14)	-	-	-	(3.14)
Benefits paid	(10.99)	(12.08)	-	(3.14)	(10.99)	(8.94)
Subsidiary adjustment	0.21	(0.70)			0.21	(0.70)
Closing balance	348.19	269.83	6.29	6.08	341.91	263.75
Represented by:						
Fair value of plan assets					6.29	6.08
Defined benefit obligation					348.19	269.83
Net Defined benefit liability					341.91	263.75

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, 2023	85.08	58.52	48.25	34.17	26.24	55.74
March 31, 2024	117.27	79.94	57.22	44.00	32.06	68.96

C. Plan assets

Plan assets comprise the following:

Particulars	March 31, 2024	March 31, 2023
Policy of insurance	100%	100%
Bank Balance	0%	0%
	100%	100%

D. Defined benefit obligations

i. Actuarial assumptions

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

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.15%	7.30%
Salary escalation rate	5.10%	5.10%
Withdrawal Rates	30% at all ages	30% at all ages
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Notes to Consolidated Financial Statements

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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.

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Rate of discounting (0.50% movement)	336.02	344.09	256.83	263.23
Rate of salary increase (0.50% movement)	343.90	336.17	263.16	256.86
Rate of employee turnover (10% movement)	340.10	339.67	259.07	260.73

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

NOTE: 35 LEASES- OPERATING LEASES

Leases as lessee

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

Particulars	March 31, 2024	March 31, 2023
Lease Rental Payments	584.34	545.89
	584.34	545.89

b) Future minimum lease payments

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

	March 31, 2024	March 31, 2023
Less than one year	550.96	491.12
Between one and five years	1,058.55	975.82
	1,609.51	1,466.93

c) Adoption of Ind AS 116

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

On transition, the Company carried out a test of lease liability measured at the present value of the remaining lease payments. Based on the analysis of the management, the board is of the opinion that there is no significant impact of the application of provision on the financial statements of the company, considering the nature, amount and tenure of the lease agreements. Hence no recognition of the Right of use assets and corresponding Lease liabilities and provision for Interest cost on lease liabilities and Depreciation on right of use assets are made by the company. Lease rentals paid by the company are recognised under the head "Other Expenses" under Note No 25 in the notes to the financial statements and Security Deposits are recognised as "Other Non-Current Financial Assets" under Note No 5 in the notes to the financial statements.

NOTE: 36 FAIR VALUE DISCLOSURES

1. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
March 31, 2024								
Financial assets								
Non-current investments	-	-	1,754.96	1,754.96	-	-	-	-
Other Non-Current Financial Assets	-	-	1,757.61	1,757.61	-	-	-	-
Trade receivables	-	-	8,322.82	8,322.82	-	-	-	-
Cash and cash equivalents	-	-	863.27	863.27	-	-	-	-
Balances other than Cash and cash equivalents	-	-	44,832.81	44,832.81	-	-	-	-
Current Loans	-	-	20,109.79	20,109.79	-	-	-	-
Other Current Financial Assets	-	-	-	-	-	-	-	-
	-	-	77,641.26	77,641.26	-	-	-	-
Financial liabilities								
Non-current borrowings	-	-	195.16	195.16	-	-	-	-
Current borrowings	-	-	11,100.86	11,100.86	-	-	-	-
Trade payables	-	-	29,326.15	29,326.15	-	-	-	-
Other Current financial liabilities	-	-	4,593.28	4,593.28	-	-	-	-
	-	-	45,215.45	45,215.45	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Particulars	Carrying amount				Fair value				
	March 31, 2023	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Non-current investments	-	-	2,079.40	2,079.40	-	-	-	-	-
Other Non-Current Financial Assets	-	-	1,364.47	1,364.47	-	-	-	-	-
Trade receivables	-	-	4,371.35	4,371.35	-	-	-	-	-
Cash and cash equivalents	-	-	4,778.37	4,778.37	-	-	-	-	-
Balances other than Cash and cash equivalents	-	-	34,827.23	34,827.23	-	-	-	-	-
Current Loans	-	-	10,101.19	10,101.19	-	-	-	-	-
Other Current Financial Assets	-	-	-	-	-	-	-	-	-
	-	-	57,522.02	57,522.02	-	-	-	-	-
Financial liabilities									
Non-current borrowings	-	-	228.66	228.66	-	-	-	-	-
Current borrowings	-	-	56.04	56.04	-	-	-	-	-
Trade payables	-	-	32,513.04	32,513.04	-	-	-	-	-
Other Current financial liabilities	-	-	5,287.66	5,287.66	-	-	-	-	-
	-	-	38,085.40	38,085.40	-	-	-	-	-

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

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

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

Transfers between Levels 1 and 2

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

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 2024 are as follows:

Particulars	Trade Receivable	Trading Loans	Total
March 31, 2024	8,322.82	20,109.79	28,432.61
March 31, 2023	4,371.35	10,101.19	14,472.55

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.

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(Currency: ₹ in lakhs)

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

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

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

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

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

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

At 31 March 2024, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Particulars	Carrying amount (in INR)	
	March 31, 2024	March 31, 2023
India	28,432.61	14,472.55
	28,432.61	14,472.55

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

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

	March 31, 2024	March 31, 2023
Opening balance	-	-
Provision for receivables impairment	110.12	37.77
Receivables written off during the year as uncollectible	(2.72)	(37.77)
Provision released during the year	-	-
Closing balance	107.40	-

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

Cash and cash equivalents

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

iii. Liquidity risk

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

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.

Notes to Consolidated Financial Statements

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(Currency: ₹ in lakhs)

Exposure to liquidity risk

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

March 31, 2024	Contractual cash flows				
	Carrying amount	Total	12 months or less	1-5 years	More than 5 years
INR					
Non-derivative financial liabilities					
Non-current borrowings	195.16	195.16	-	195.16	-
Current borrowings	11,100.86	11,100.86	11,100.86	-	-
Trade payables	29,326.15	29,326.15	29,326.15	-	-
Other financial liabilities	4,593.28	4,593.28	4,593.28	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-
March 31, 2023	Contractual cash flows				
	Carrying amount	Total	12 months or less	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non-current borrowings	228.66	228.66	-	228.66	-
Current borrowings	56.04	56.04	56.04	-	-
Trade payables	32,513.04	32,513.04	32,513.04	-	-
Other financial liabilities	5,287.66	5,287.66	5,287.66	-	-
Derivative financial liabilities					
Forward exchange contracts	-	-	-	-	-

iv. Market risk

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

Currency risk

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

Notes to Consolidated Financial Statements

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(Currency: ₹ in lakhs)

Interest rate risk

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

Exposure to interest rate risk

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

Particulars	Nominal amount in INR	
	March 31, 2024	March 31, 2023
Fixed-rate instruments		
Financial assets	44,832.81	34,827.23
Financial liabilities	11,266.02	61.30
	44,832.82	34,765.93
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-
Total	44,832.82	34,765.93

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

NOTE : 37 CAPITAL MANAGEMENT

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

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

Particulars	As at March 31, 2024	As at March 31, 2023
Total Borrowings	11,296.02	284.70
Less : Cash and cash equivalent **	863.27	4,778.37
Adjusted net debt	10,432.75	(4,493.69)
Total equity	34,591.38	22,180.01
Less : Hedging reserve	-	-
Adjusted equity	34,591.38	22,180.01
Adjusted net debt to adjusted equity ratio	0.30	(0.20)

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

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

NOTE : 38 RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

A Nature of relationship

I Subsidiary Companies

- 1 Monarch Network Finserve Private Limited
- 2 Monarch Network Investment Advisors Private Limited
- 3 Monarch Network Capital IFSC Pvt Ltd
- 4 Monarch Network Money Changers Private Limited (ceased to be a subsidiary w.e.f quarter ended 30th September 2023)

II Associate Companies

- 1 Network Financial Services Ltd (ceased to be an associate w.e.f quarter ended 30th September 2023)

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

- 1 Premjayanti Properties
- 2 Monarch Infra Ventures
- 3 Krone Investments
- 4 Vibrant Investments
- 5 Mahaveer Equibiz
- 6 Monarch Comtrade Private Limited
- 7 Monarch Infraparks Private Limited
- 8 Premjayanti Enterprises Private Limited
- 9 Yantra E Solar Private Limited
- 10 Krone Finstock Private Limited
- 11 R K Investments

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

- 12 Opp Basket Private Limited
- 13 Sur-Man Investment Limited
- 14 Simandhar Securities Private Limited
- 15 Samarpan Properties Private Limited
- 16 Samarpan Properties Private Limited
- 17 MNCL Compounder Fund
- 18 MNCL Compounder Fund-I

IV Promoters and their relatives

- 1 Mr. Vaibhav Shah (Managing Director/ Promoter)
- 2 Mrs. Manju Bafna (Wholetime Director/ Promoter)
- 3 Mr. Ashok Bafna (Wholetime Director/ Promoter)
- 4 Mrs. Kinnari Shah (Promoter)
- 5 Mr. Bankim Shah (Promoter/ Operation Head)
- 6 Mr. Himanshu Shah (Promoter)
- 7 Mr. Suresh Bafna (Promoter)
- 8 Mrs Bela Shah (Promoter)
- 9 Mr. Shailen Shah (Promoter /President Institutional Desk)
- 10 Mrs. Hemangi B. Shah (Promoter)
- 11 Vaidik Ashok Bafna (Son Of Promoter)
- 12 Darshika Shailen Shah (Spouse Of Promoter)
- 13 Dimple Bafna (Related To Promoter)
- 14 Khushi Ashok Bafna (Daughter Of Promoter)
- 15 Mahek Shailen Shah (Daughter Of Promoter)
- 16 Manish Bafna (Brother Of Promoter)
- 17 Manish Bafna HUF (Related To Promoter)
- 18 Manjula Ramesh Shah (Mother Of Promoter)
- 19 Nirmi Shailen Shah (Daughter Of Promoter)
- 20 Nitin Ramesh Shah(Brother Of Promoter)
- 21 Nitin Ramesh Shah HUF (Related To Promoter)
- 22 Savita Ashok Bafna (Spouse Of Promoter)
- 23 Anushree Shah (Daughter Of Promoter)
- 24 Kavish Shah (Son Of Promoter)
- 25 Premilaben Jayantibhai Shah (Mother Of Promoter)
- 26 Jayantilal Shah (Father of Promoter)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

- 27 Ashok Bafna Huf (Related To Promoter Director)
- 28 Vaibhav Shah HUF (Related To Promoter Director)
- 29 Himanshu Shah HUF (Related To Promoter)
- 30 Bankim Shah HUF (Related To Promoter)

V Directors / Key Management Personnel

- 1 Mr. Vaibhav Shah (Managing Director)
- 2 Mrs. Manju Bafna (Wholetime Director)
- 3 Mr. Ashok Bafna (Wholetime Director)
- 4 Mr. Chetan Bohra (Independent Director)
- 5 Ms Avni Chouhan (Independent Director)
- 6 Mr. Satish Kumar (Independent Director)
- 7 Mr. Gaurav Bhandari (CEO)
- 8 Ms Rupali Verma (Company Secretary) resigned w.e.f. 16th February, 2024
- 9 Mrs Hetvi Gandhi (CFO) resigned w.e.f. 25th May, 2023
- 10 Nitesh Tanwar (Company Secretary) appointed w.e.f. 12th March, 2024

Notes :

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

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

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue								
Interest Income	-	-	649.53	17.02	0.64	0.01	650.17	17.03
Demat Charges Income	-	-	13.02	0.20	0.26	0.12	13.29	0.32
Brokerage Income	-	-	55.35	106.11	21.47	13.00	76.82	119.11
Asset Management Services	-	-	899.49	217.88	-	-	899.49	217.88
Total	-	-	1,617.39	341.21	22.37	13.13	1,639.76	354.33

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Expenses								
Professional Fees Paid	-	-	-	-	39.00	39.00	39.00	39.00
Salaries & Incentive	-	-	-	-	584.70	1,292.29	584.70	1,292.29
Interest Paid	-	-	528.52	157.72	22.91	25.42	551.44	183.14
Lease Rent Paid	-	-	166.50	162.00	60.00	60.00	226.50	222.00
Total	-	-	695.02	319.72	706.61	1,416.71	1,401.63	1,736.43

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

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Outstanding Balances								
Investments made								
Networth Financial Service Ltd.	-	-	-	87.89	-	-	-	87.89
Monarch Networth Capital Limited Compounder Fund	-	-	-	236.54	-	-	-	236.54
Monarch Networth Capital Limited Compounder Fund AIF-I	-	-	1,000.00	1,000.00	-	-	1,000.00	1,000.00
Total	-	-	1,000.00	1,324.43	-	-	1,000.00	1,324.43
Receivables / Advances								
Networth Financial Services Ltd.	-	-	-	-	-	-	-	-
Suresh Babulal Bafna	-	-	-	-	0.00	0.00	0.00	0.00
Premilaben Jayantilal Shah	-	-	-	-	-	3.87	-	3.87
Vaidik Ashok Bafna	-	-	-	-	-	0.00	-	0.00
Anushree Shah	-	-	-	-	-	-	-	-
Neelam Shah	-	-	-	-	0.00	-	0.00	-
Vibrant Investment	-	-	-	-	-	-	-	-
Yantra Esolar India Private Limited	-	-	-	5.82	-	-	-	5.82
Total	-	-	-	5.82	0.00	3.87	0.00	9.69
Payables/Loan								
Monarch Infra Venture	-	-	-	-	-	-	-	-
Shailen Shah	-	-	-	-	15.88	1.34	15.88	1.34

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Nature of Transactions	Subsidiary Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Shailen Shah HUF					3.90		3.90	-
Ashok Bafna					2.00		2.00	-
Darshika Shailen Shah	-	-	-	-	6.03	0.67	6.03	0.67
Manjula Ramesh Shah	-	-	-	-	2.42	0.61	2.42	0.61
Nitin Ramesh Shah	-	-	-	-	2.19	5.29	2.19	5.29
Nitin Ramesh Shah HUF	-	-	-	-	0.12	4.59	0.12	4.59
Krone Finstock Pvt Ltd	-	-	2.53	1,170.24	-	-	2.53	1,170.24
Krone Investments	-	-	14.94	0.00	-	-	14.94	0.00
Premjayanti Enterprise Pvt Ltd	-	-	-	0.00	-	-	-	0.00
Yantra Esolar India Private Limited	-	-	3.70	-	-	-	3.70	-
Anushree Shah	-	-	-	-	-	0.73	-	0.73
Dimple Bafna	-	-	-	-	-	5.83	-	5.83
Manish Bafna	-	-	-	-	-	1.14	-	1.14
Manish Bafna HUF	-	-	-	-	-	3.91	-	3.91
Manju Bafna	-	-	-	-	-	2.43	-	2.43
Savita Ashok Bafna	-	-	-	-	0.22	-	0.22	-
Khushi Ashok Bafna	-	-	-	-	6.09	-	6.09	-
Suresh Bafna	-	-	-	-	-	-	-	-
Vaidik Ashok Bafna	-	-	-	-	0.15	-	0.15	-
Vrushali Shah	-	-	-	-	1.64	-	1.64	-
Mahaveer Equibiz	-	-	-	-	-	-	-	-
Networth Financial Services Ltd.	-	-	-	193.40	-	-	-	193.40
K and K Ventures	-	-	0.00	-	-	-	0.00	-
Opp Basket Pvt Ltd	-	-	4,442.35	-	-	-	4,442.35	-
Mahaveer Equibiz	-	-	3.06	-	-	-	3.06	-
Total	-	-	4,466.58	1,363.64	40.63	26.55	4,507.21	1,390.18

Terms and conditions of transactions with related parties

- All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.
- Outstanding balances at the year-end are unsecured and settlement occurs in cash.
- Directors of the Companies have given personal guarantees towards certain borrowings and cash credit of the Company
- Gratuity and Compensated absences are included in managerial remuneration as disclosed above
- For the current year, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Previous Year: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 39 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Contingent liabilities	March 31, 2024	March 31, 2023
Bank Guarantee	27,000.00	21,696.00
Income Tax matters pending with various authorities	142.47	611.20
Service Tax & GST matters pending with various authorities	245.64	89.18
(Merged Entity -Monarch Project & Finmarkets Limited and Monarch Research Brokerges Pvt Ltd)		
Client Litigation matter	72.93	51.01

Notes

- (i) There are certain claims aggregating to ₹ 72.93 lakhs (previous year ₹ 51.01 lakhs) against the company for which the company has taken suitable legal recourse. Hence the same has not been recognized as a debt and no provision has been made thereof.
- (ii) The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2024.
- (iii) Pending resolution of the respective proceedings, it is not practicable for the company to estimate the timing of the cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.
- (iv) In respect of NBFC Business, Monarch Network Finserve Private Limited has received order u/s 143(3) of the Income Tax Act, 1961 for A.Y 2014-15 and demand of ₹4.12 Lakhs raised. In Connection with the same company has filed an appeal against the same demand.

NOTE : 40

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

NOTE : 41

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

NOTE : 42 COMMITMENTS

Particulars	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

NOTE : 43

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

Dues to micro, small and medium enterprises	March 31, 2024	March 31, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	6.00	6.15
Interest	Nil	Nil
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

NOTE : 44

Earnings and expenditure in Foreign Currency during the year:

Particulars	March 31, 2024	March 31, 2023
Earnings in Foreign Currency	-	0.73
Expenditure in Foreign Currency	Nil	Nil

NOTE :45 PROPOSED DIVIDEND

The Board of Directors of Monarch Network Capital Limited, have recommended a Dividend for the financial year ended on 31/03/2024 @ 10% (i.e. ₹ 1/-) per equity share (Previous Year - @ 10%, i.e. ₹ 1/- per equity share) to the equity shareholders. The Dividend will be paid after the approval of shareholders at ensuing Annual General Meeting. The date of book closure for the entitlement of such dividend and Annual General Meeting shall be decided and informed in due course of time.

NOTE : 46

Particulars	March 31, 2024	March 31, 2023
Forward exchange contracts outstanding on the balance sheet date which is entered to hedge foreign exchange exposures of the Company.	Nil	Nil

NOTE : 47

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 48

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

NOTE : 49

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

NOTE : 50

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

NOTE : 51

Events Occurring After the Balance Sheet Date

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

NOTE : 52

Directors Remuneration

Particulars	March 31, 2024	March 31, 2023
Director Remuneration	205.52	75.19
	205.52	75.19

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. The increase in remuneration of directors is due to one time Incentives provided to the directors during the financial years.

NOTE : 53

Auditors Remuneration

Particulars	March 31, 2024	March 31, 2023
Towards Statutory & Tax Audit (Exclusive of GST)	6.60	6.80
	6.60	6.80

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 54

Corporate social responsibility

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

Particulars	March 31, 2024	March 31, 2023
Unspent Balance at the beginning	95.18	19.57
Provision made by the Company during the year	194.30	95.18
Prior Period Provision made by the Company during the year	-	-
Amount Spent during the year	-	-
- Construction / acquisition of any asset	-	-
- On purpose of other than above	(152.87)	-19.57
Amount remaining to be Spent at the end of the year	136.61	95.18

NOTE : 55

The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

NOTE : 56

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

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

Type of Borrower, that are (a) repayable on demand; or (b) without specifying any terms or period of repayment.	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As on		As on	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Promoters/ Directors/ KMPs:	-	-	-	-
Related Parties:	-	-	-	-
Total to promoters, directors, KMPs and the related parties	-	-	-	-
Total to Other Loans given by the Company	20,110	10,101	100.00%	100.00%
Grand Total	20,110	10,101	100.00%	100.00%

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 57

Employee Stock Option Plan

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

Accordingly during the year 2022-23, 469,000 ESOPs equivalent to equal number of Equity Shares were offered and granted to eligible employees under the said scheme. Details of the same are given below:

Accordingly during the year 2022-23, 5,00,000 ESOPs equivalent to equal number of Equity Shares were offered and granted to eligible employees under the said scheme, presently 4,69,000 ESOPs are outstanding under the scheme. Details of the same are given below:

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

An expense of INR 448.87 Lakhs (PY 309.48 Lakhs) has been charged to the profit and loss account during the current year under the head Employee Benefit Expenses for the ESOPs as per Ind AS 102 Share-based Payment.

NOTE : 58

Revenue From Contract With Customers

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

Disaggregate revenue information

- The table below presents disaggregate revenues from contracts with customers for the year ended March 31, 2024 and March 31, 2023. The Company believes that this disaggregation best depicts how the nature, amount, Timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Nature of Services

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

2. Disaggregate revenue information

Particulars	Year Ended on March 31, 2024	Year Ended on March 31, 2023
(a) Interest Income		
Interest on margin funding	1,985.04	932.63
Interest on delayed payment	1,966.68	1,487.34
Interest on fixed deposits under the lien with stock exchanges	3,247.12	2,095.55
Interest from NBFC Services	36.01	86.16
	7,234.85	4,601.69
(b) Fees and Commission Income		
Brokerage	12,099.31	7,430.58
Income from depository Operation	389.64	232.27
Income from distribution Operation	214.64	214.31
Income from Insurance services	136.21	124.39
Other Operating Income	603.86	535.51
	13,443.67	8,537.06
(c) Merchant banking and other services	4,386.43	2,269.90
(d) Asset Management Services	899.49	217.88
Total	25,964.45	15,626.53

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

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 59

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

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposits held as margin deposits	13,500.00	10,859.00
Property, plant and equipment	511.70	151.21
Total assets pledged as security	14,011.70	11,010.21

- Property, plant and equipments are pledged with Banks and NBFCs against borrowing facilities taken by the company

NOTE : 60

Monarch Alternative Investment Fund

A. MNCL Capital Compounder Fund

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

Key Features of the fund are as follows:

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

- Lock-in Period : Lock-in Period means the period commencing from the date of signing of the respective Contribution Agreement till the expiry of 18 (eighteen) months from the date of last Drawdown or the date of Final Closing, whichever is later. To clarify, no exit of any Units shall be allowed during the Lock-in Period, except at the discretion of the Investment Manager.
- Management Fee : Pursuant to the Investment Management Agreement, the Investment Manager will be entitled to receive Management Fee, that will accrue and commence from the date of First Closing and shall be chargeable on annual basis in arrears in respect of Class A Units and Class C Units. The Management Fee shall be charged up to 0.5% (zero point five percent) p.a. on the NAV (calculated at the beginning of each year) of Class A Units and Class C Units. No Management Fee shall be payable with respect to the holders of Class B Units. The Revenue from Management Fees is disclosed under "Note: 25 : Revenue from operations".
- Performance Fee : The Investment Manager will establish and maintain an account for the Fund. The Fund's account will contain separate capital accounts (each a "Capital Account") in order to separately track the Net Asset Value of each Contributor's Units in the Fund. The Investment Manager shall charge performance fee ("Performance Fee") based on the performance of each Capital Account at the rate of 15% (fifteen percent) p.a. of all the profits after deducting Fund Expenses (except Performance Fee), reserves, provisions/withholdings, (in case the profits are higher than the Hurdle Rate of Return) from the holders of Class A Units and Class C Units, on annual basis at the end of financial year or shorter period in certain circumstances as listed out in the Contribution Agreements viz. in case of exit etc. The Performance Fee shall be charged at the end of each year on an annual basis. The Revenue from performance Fees is disclosed under "Note: 20 : Revenue from operations".
- Hurdle Rate of Return : The hurdle rate of return shall be the compounded rate of return of an INR based calculation of 10% (pre-Tax) on an annualized basis.
- Set-up Cost : The Investment Manager will charge one-time Set-up Cost from the holders of Class A Units and Class C Units at actuals subject to a limit of up to 0.5% (zero point five percent) of the aggregate Capital Commitments by the holders of Class A Units and Class C Units. The Investment Manager may, in its discretion reduce/waive the Set-Up Cost payable by an Investor. No Set-up Cost shall be payable with respect to the holders of Class B Units.

B. MNCL Capital Compounder Fund - I

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

Key Features of the fund are as follows:

- MNCL Capital Compounder Fund - I' is the second close ended scheme of the Trust and is offering through a private placement Class A Units, Class B Units, Class C Units and such other Class(es) / Subclass(es) of Units as the Investment Manager may decide from time to time for subscription aggregating to ₹ 250,00,00,000 (Indian Rupees Two Hundred Fifty Crores) with a green shoe option of up to ₹ 200,00,00,000 (Indian Rupees Two Hundred Crores). The Fund is a scheme of an Indian trust set-up under the Indian Trusts Act, 1882 and is registered with SEBI as a Category III AIF under the Regulations and would be operated in compliance with other Applicable Laws.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

- Sponsor's Contribution by MNCL : As per the terms of The Sponsor/Investment Manager shall commit an amount equivalent to 5% (five percent) of the Corpus or ₹ 10,00,00,000 (Rupees Ten Crore), whichever is lower, and shall maintain a continuing interest in the Fund in accordance with the Regulations.
- 'Beacon Trusteeship Limited' shall act as the Trustee to the Trust. The Trustee shall have all powers in respect of the property of the Trust, including power to manage the same, which would be delegated to the Investment Manager in terms of the Investment Management Agreement. The Trustee shall not interfere with the actions of the Investment Manager so long as the actions are within the powers of the Investment Management Agreement and conform to the Regulations and the objectives of the Trust and the Fund.
- Commitment Period : The First Closing of the Fund shall be held within a period of 6 (six) months from the date of receipt of confirmation from SEBI for launch of the Fund, subject to the Fund receiving Capital Commitments of at least INR 20,00,00,000 (Indian Rupees Twenty Crores) or any other higher amount as decided by the Investment Manager in accordance with the Regulations. The Investment Manager may extend the First Closing by a period of up to 3 (three) months at its sole discretion.

The Investment Manager has the discretion to hold one or more Subsequent Closings.

The Final Closing shall be held on or before the expiry of 12 (twelve) months from the First Closing.

The Investment Manager may extend the Final Closing by up to 3 (three) months at its sole discretion, pursuant to which admission of investors as Contributors in the Fund shall stand finalised.

- Lock-in Period : Units issued to Contributors shall be locked in till the expiry of 18 (Eighteen) months from the date of allotment of Units ("Lock-in Period"). No redemptions will be allowed during the Lock-in Period.
- Management Fee : Pursuant to the Investment Management Agreement, The Management Fee shall be chargeable at the rate of upto 1% (One Percent) p.a. in respect of Class A Units and Class C Units, payable at the end of each year (or at such intervals as determined by the Investment Manager and as stated in the Contribution Agreement) on the NAV (before taking into account the Fund Expenses, Performance Fees and Tax liabilities) calculated at the start of every year on the relevant Valuation Day. No Management Fee shall be payable with respect to the holders of Class B Units. The Revenue from Management Fees is disclosed under "Note: 25 : Revenue from operations".
- Performance Fee : The Investment Manager shall charge a Performance Fee to the holders of Class A Units and Class C Units at the rate of 15% p.a. of the incremental Pre-Tax NAV of Class A Units and Class C Units (over and above the Hurdle Rate of Return) during a Determination Period. The Performance fees will be increased by any applicable GST and other statutory charges payable thereon. This fee will be charged by the Investment Manager directly to the relevant Contributors or to the Fund. The Investment Manager, in its sole discretion, may waive or reduce the Performance Fee for a particular Contributor /Class / Subclass of Units. There shall be no Performance Fee payable with respect to Class B Units. The Revenue from performance Fees is disclosed under "Note: 20 : Revenue from operations".
- Hurdle Rate of Return : The Hurdle Rate of Return applicable to Class A Units and Class C Units shall be 10% (ten percent) in Indian Rupee terms. The Hurdle Rate of Return shall not be applicable with respect to holders of Class B Units.

- Set-up Cost : The Investment Manager will not charge any Set-up Cost from any unit holders.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 61

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

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

NOTE : 62

Wilful Defaulter

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

NOTE : 63

Misutilisation of Bank Borrowing

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

NOTE : 64

Disclosure of transactions with struck off companies

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

NOTE : 65

Compliance with approved Scheme(s) of Arrangements

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

NOTE : 66

Undisclosed Income

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

NOTE : 67

Compliance with number of layers of companies

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

NOTE : 68

Details of Crypto Currency or Virtual Currency

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

NOTE : 69

Security of current assets against borrowings

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 70

Utilisation of Borrowed funds and share premium:

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

NOTE : 71

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

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

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

NOTE : 72

Ratios

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

NOTE : 73

During the previous financial year, the company held certain investments for which fair value adjustments were routed through Other Comprehensive Income (OCI). These investments were sold during the same year, but the cumulative gain/loss recognized in OCI was not transferred to Retained Earnings as required under applicable accounting standards. In the current financial year, the company has rectified this oversight by transferring the net balance in the OCI reserve to Retained Earnings, with a corresponding adjustment to the previous year's figures. This adjustment has been retrospectively applied to ensure accurate presentation of the financial statements, reflecting the true financial position and performance of the company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 74

Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As on March 31, 2024								
Undisputed Trade receivables:								
- considered good			7,801.43	79.82	46.27	395.30		8,322.82
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables:								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As on March 31, 2023								
Undisputed Trade receivables:								
- considered good	38.29		3,371.95	495.53	219.21	246.38	-	4,371.35
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables:								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 75

Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on March 31, 2024						
(i) MSME*	-	6.00			-	6.00
(ii) Others	-	28,882.72	387.45	49.98	-	29,320.15
(iii) Disputed dues - MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	28,888.72	387.45	49.98	-	29,326.15

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on March 31, 2023						
(i) MSME*	-	6.15	-	-	-	6.15
(ii) Others	-	32,374.87	116.37	15.65	-	32,506.89
(iii) Disputed dues - MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	32,381.02	116.37	15.65	-	32,513.04

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

NOTE : 76

Segment reporting

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

- Segment-1 Broking & other Finance Market Services
- Segment-2 Non Banking Finance Business
- Segment-3 Insurance business

The Board evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The Board reviews revenue and gross profit as the performance indicator for all of the operating segments, and does not review the total assets and liabilities of an operating segment.

(b) Following are reportable segments

- Segment-1 Broking & Other Finance Market Services
- Segment-2 Non Banking Finance Business
- Segment-3 Insurance business

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

B. Information about reportable segments

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
1 Segment Revenue		
a) Broking and Related Services		
1) Fees and commission income	12,792.00	7,951.69
2) Interest Income	7,198.84	4,515.52
3) Merchant Banking & Related Services	4,386.43	1,844.90
3) Asset Management Services	899.49	217.88
4) Others (Un-allocated)	1,903.14	600.19
b) Non Banking financial business	825.96	1,095.27
c) Insurance business	168.26	133.04
Total	28,174.12	16,358.49
Less: Inter Segment Revenue	274.35	157.36
Net sales/Income From Operations	27,899.77	16,201.13
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)		
a) Broking & Others (1 to 4)	17,094.09	5,456.15
b) Non Banking financial business	755.81	981.35
c) Insurance business	141.27	88.90
Total	17,991.17	6,526.40
Less: (i) Interest	(1,302.64)	(576.28)
(ii) Other Un-allocable Expenditure net off	(274.35)	(157.36)
(iii) Un-allocable income		-
Add : Exceptional Item	(4.65)	(0.22)
Interest Income		-
Total Profit/(Loss) Before Tax	16,409.53	5,792.54
3. Capital Employed (Segment assets – Segment Liabilities)		
a) Broking & Others (1 to 4)	30,863.74	19,531.97
b) Non Banking financial business	3,376.29	2,819.94
c) Insurance business	351.36	242.26
Total	34,591.39	22,594.18

C. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

Since all the operations of the group are based in India, the presentation of geographic information is not applicable

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(Currency: ₹ in lakhs)

NOTE : 77

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

NOTE : 78

Previous years figures have been re-grouped / re-classified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of even date

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

Amit Saklecha
(Partner)
M.No. 401133
UDIN:24401133BKADTQ8752
Place : Mumbai
Date: May 24, 2024

For and on behalf of the Board

Monarch Networth Capital Limited
CIN: L65920GJ1993PLC120014

Vaibhav Shah
(Managing Director)
Din:00572666

Gaurav Bhandari
(Chief Executive Officer)

Place : Mumbai
Date : May 24, 2024

Manju Bafna
(Whole-Time Director)
Din: 01459885

Nitesh Tanwar
(Company Secretary)
Membership No: F10181

Place : Mumbai
Date : May 24, 2024

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.

Corporate Office: "Monarch House", Opp. Prahladbhai Patel Garden, Near Ishwar Bhuvan,
Commerce Six Road, Navrangpura, Ahmedabad-380009

Tel: 079-26666500/079-66000500, Email: cs@mnclgroup.com, Website: www.mnclgroup.com

ATTENDANCE SLIP

ANNUAL GENERAL MEETING ON FRIDAY, 20TH SEPTEMBER, 2024

(To be completed and presented at the Entrance)

Name of Member : _____

Registered Address : _____

Regd. Folio No. : _____

Client ID/ D.P. ID* : _____

No. of Share(s) held : _____

Joint Holder 1 : _____

Joint Holder 2 : _____

** Applicable for investors holding shares in Electronic form*

I certify that I am the registered shareholder(s)/proxy for the registered shareholder of the Company.

I/we hereby record my/our presence at the Annual General Meeting of the Company held on Friday, 20th September, 2024 at 12.30 p.m. at Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasán Por Road, Kudasán, Gandhinagar - 382421.

Member's/Proxy's name

Member's/Proxy's Signature

Note:

1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Please read the instructions for e-voting given in the Notice of AGM. The voting period starts from Tuesday, 17th September, 2024 (9.00 a.m.) and ends on Thursday, 19th September, 2024 (5.00 p.m.). The voting module shall be disabled by NSDL for voting thereafter.

MONARCH NETWORK CAPITAL LIMITED

CIN: L65920GJ1993PLC120014

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

Corporate Office: "Monarch House", Opp. Prahladbhai Patel Garden, Near Ishwar Bhuvan,
Commerce Six Road, Navrangpura, Ahmedabad-380009

Tel: 079-26666500/079-66000500, Email: cs@mnclgroup.com, Website: www.mnclgroup.com

**PROXY FORM
FORM NO. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ANNUAL GENERAL MEETING ON FRIDAY, 20TH SEPTEMBER, 2024

Name of the Member (s) : _____

Name(s) of the Joint Holder, if any : _____

Registered Address : _____

Email Id : _____

Folio No/Client Id/ DP ID : _____

I/We, being a Member (s) of _____ shares of the above named Company hereby appoint:

1. Name : _____

Address : _____

Email Id : _____

Signature : _____ or failing him

2. Name : _____

Address : _____

Email Id : _____

Signature : _____ or failing him

3. Name : _____

Address : _____

Email Id : _____

Signature : _____ or failing him

as my/our proxy to attend and vote (on poll) for me/us on my /our behalf of at the Annual General Meeting of the Company to be held on Friday, 20th September, 2024 at 12.30 p.m. at Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasán Por Road, Kudasán, Gandhinagar - 382421, and at and adjournment thereof in respect of such resolution as are indicated below:

Sr. No.	Resolutions	Vote (Optional See Note 2) (Please mention no, Share)		
		For	Against	Abstain
1	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon.			
2	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 together with the Report of the Auditors thereon.			
3	To declare Final Dividend of Rs. 1/- per Equity Shares for the Financial Year ended 31 st March, 2024.			
4	To appoint a Director in place of Mrs. Manju Suresh Bafna (DIN: 01459885), Whole -Time Director, who retires by rotation and being eligible offers herself for reappointment.			
5	To appoint statutory auditors and fix their remuneration.			
6	Approval for modification in overall borrowing limits of the company as per Section 180 (1)(c) of the Companies Act, 2013			
7	Approval for modification in limits under section 180 (1)(a) of the Companies Act, 2013 for creating charge on the assets of the company:			
8	Approval of limits for the Loans, Guarantees and Investment by the Company as per Section 186 of the Companies Act, 2013			

Signed this _____ day of _____ 2024

Signature of Member: _____

Signature of Proxy holder(s): _____

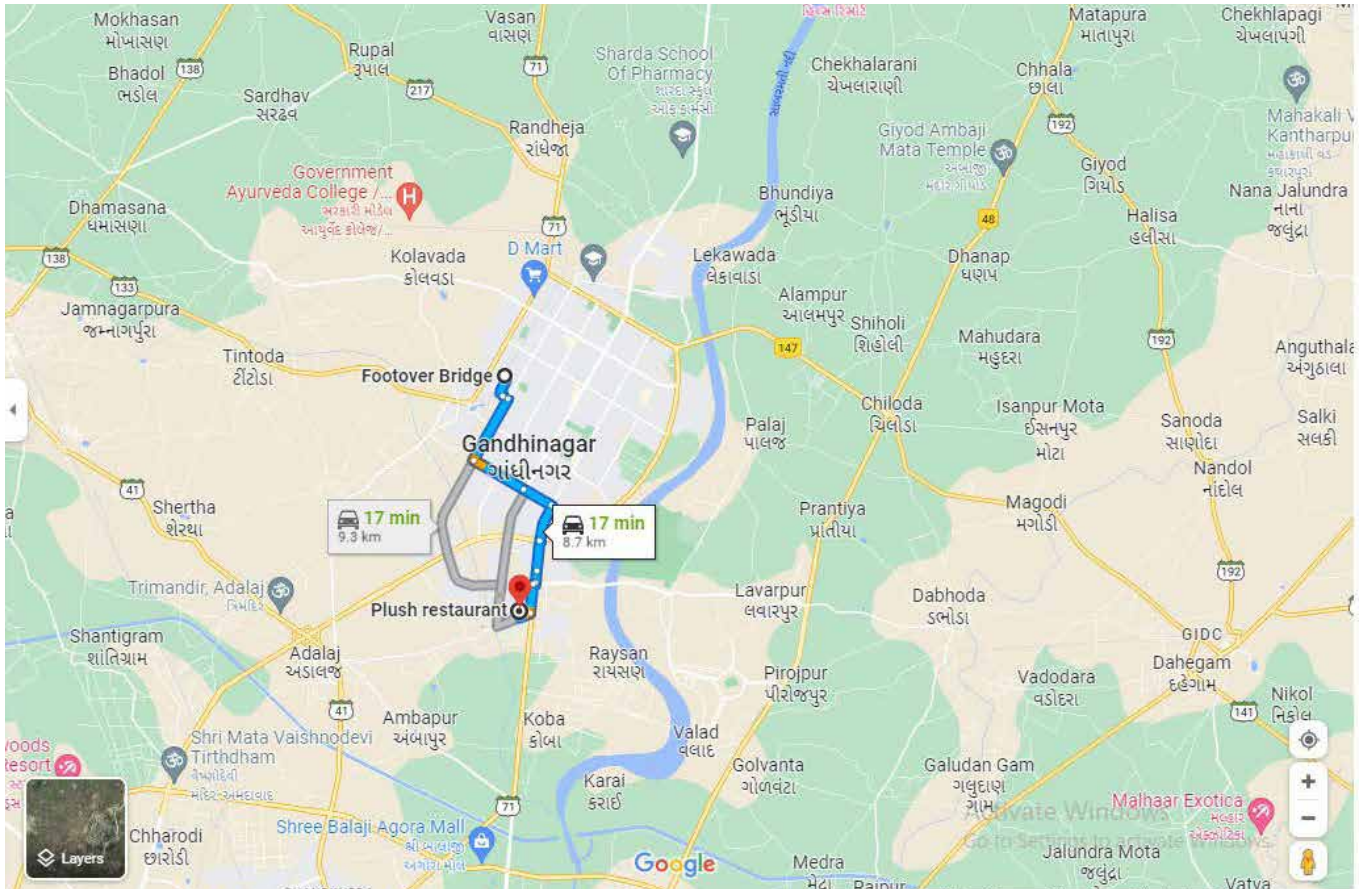
Affix Revenue Stamp of not less than ₹.1/-
--

Note:

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

ROUTE MAP FOR AGM VENUE

Prominent Corporate Residency, Plush Restaurant & Banquets, Luxury Redefined, B/H Ugati Heights, Kudasan Por Road, Kudasan, Gandhinagar - 382421.



Map not to scale



MONARCH NETWORK CAPITAL LIMITED

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

Corporate Office: Monarch House, Opp. Ishwar Bhuvan, Commerce Six Roads,
Navrangpura, Ahmedabad - 380014

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 1800 22 0223

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