

## INDEPENDENT AUDITORS' REPORT

To,

The Members,

**Monarch Network Finserve Private Limited,**

### Report on the Financial Statements

We have audited the accompanying financial statements **Monarch Network Finserve Private Limited (Formerly Known as Ravisha Financial Services Private Limited)** which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that gives true and fair view in order to design





g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts – The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

**The "Annexure A" referred to in paragraph 1 of the Our Report of even date to the members of Ravisha Financial Services Pvt Limited, on the accounts of the company for the year ended 31<sup>st</sup> March, 2020.**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- (i). a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. We have been informed that, the fixed assets have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.
- c. Company has not any immovable property; accordingly clause 3(i) (c) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (ii). The company is not having any Inventory at any time during the year. Accordingly clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 hence clause 3(iii) of companies (auditor's Report) order 2016 is not applicable.
- (iv) In respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) According to the information and explanation given to us, the company has not accepted any deposits from the public hence clause 3(v) of companies (auditor's Report) order 2016 is not applicable.



(vi) According to the information and explanation given to us, maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the product dealt with by the company as prescribed by central government is not applicable to the company.

(vii)(a) According to the information and explanation given to us and record examined by us, the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities have been regularly deposited with the appropriate authorities. There are no arrears of statutory dues for a period of more than six months.

(b) According to the information and explanation given to us there are no disputed pending before the authorities in respect of income tax and other statutory dues except Company has received below order.

Assessment Year	Notice Under Section	Demand in Rs.	Status
AY-2011-12	143 (3)	1,33,430.00	Appeal Filed against order
AY-2011-12	271 (1)(C)	5,20,000.00	Appeal Filed against order
AY-2012-13	143 (3)	3,35,480.00	Appeal Filed against order
AY-2014-15	143 (3)	4,12,950.00	Appeal Filed against order

(c) According to the information and explanation given to us there are no any amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013

(viii) According to the records made available to us and information and explanation given to us by the management, in our opinion the company has not defaulted in repayment of dues to a bank or financial institution.

(ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year hence clause 3(ix) of companies (auditor's Report) order 2016 is not applicable.

(x) According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during course of our audit.

(xi) The company did not paid managerial remuneration during course of our audit hence clause 3(xi) of companies (auditor's Report) order 2016 is not applicable.

(xii) According to the information and explanation given to us the company is not a nidhi company hence clause 3(xii) of companies (auditor's Report) order 2016 is not applicable.





- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence clause 3(xiv) of companies (auditor's Report) order 2016 is not applicable.
- (xv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into non cash transactions with directors or persons connected with him hence clause 3(xv) of companies (auditor's Report) order 2016 is not applicable.
- (xvi) The company is already a NBFC as required to be registered under section 45-IA of Reserve Bank of India Act 1934.

**For J Vageriya & Associates  
Chartered Accountants**



*[Handwritten Signature]*

**CA. Jitendra Vageriya  
Partner**

**M. No. 114424**

**FRN.: 124193W**

**UDIN: 20114424AAAADI7266**

**Date: 26/06/2020  
Place: Ahmedabad**



## **"Annexure B" to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Ravisha Financial Services Private Limited as of 31<sup>st</sup> March, 2020 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 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 all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



**For J Vageriya & Associates  
Chartered Accountants**

**CA. Jitendra Vageriya  
Partner  
M. No. 114424  
FRN.: 124193W  
UDIN: 20114424AAAADI7266**

**Date: 26/06/2020  
Place: Ahmedabad**



# MONARCH NETWORTH FINSERVE PRIVATE LIMITED

Balance Sheet for the year ended 31st ,March,2020

Particulars	Note No.	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	96,666,660	80,000,000
(b) Reserves and Surplus	3	23,606,695	(16,473,617)
<b>(2) Long term Liability</b>			
(a) Long Term Provision	4	60,571	280,207
<b>(3) Current Liabilities</b>			
(a) Trade payables	5	254,363,318	185,973,824
(b) Short-term provisions	6	1,832,433	1,326,405
(c) Short-term borrowings	7	19,340,000	84,198,427
<b>Total</b>		<b>395,869,677</b>	<b>335,305,246</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	2,013,538	2,013,538
(b) Deferred tax assets (Net)	9	114,102	262,935
<b>(2) Current assets</b>			
(a) Trade Receivables	10	360,169,043	312,227,650
(b) Cash and cash equivalents	11	14,541,817	4,714,311
(c) Short-term loans and advances	12	19,031,176	16,086,812
<b>Total</b>		<b>395,869,677</b>	<b>335,305,246</b>

Significant Accounting policies and Notes forming parts of accounts

1


**For : - J Vageriya & Associates**  
**Chartered Accountants**


  
**Jitendra Vageriya**  
**Partner**  
M. No.: 114424  
FRN: 124193W




Place : Ahmedabad  
Date: 26/06/2020

**For and on behalf of Board : -**

  
**Ashok Bafna**  
**Director**  
DIN: 01431472

  
**Shailen Shah**  
**Director**  
DIN :01569241



Place : Mumbai  
Date: 26/06/2020

# MONARCH NETWORK FINSERVE PRIVATE LIMITED

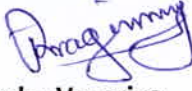
## Profit & Loss for the year ended 31st March, 2020

Particulars	Note No.	Figures for the year ended 31st March, 2020 Amount in Rs.	Figures for the year ended 31st March, 2019 Amount in Rs.
<b>Income:</b>			
I. Revenue from operations	13	93,203,741	58,477,979
II. Other Income	14	370,973	109,441
<b>Total Revenue ( A )</b>		<b>93,574,714</b>	<b>58,587,420</b>
<b>Expenses:</b>			
III. Employee Benefit Expense	15	6,727,766	8,780,594
IV. Operating Expense	16	60,963,176	39,058,569
V. Selling, Administration & other expenses	17	16,771,167	18,154,930
VI. Financial costs	18	54,803	4,744
VII. Depreciation and amortization expense	8	-	-
VIII. Provision for Standard Assets		318,756	313,002
IX. Provision for Non Performing Assets		(21,779)	19,915
<b>Total Expenses ( B )</b>		<b>84,813,889</b>	<b>66,331,754</b>
X. Profit before exceptional and extraordinary items and tax	( A ) - ( B )	8,760,826	(7,744,334)
XI. Extraordinary Items (prior period expenses)		-	-
XII. Profit before tax	( X - XI )	<b>8,760,826</b>	<b>(7,744,334)</b>
XIII. Tax expense:			
Deferred tax		148,834	193,356
Current Tax		1,865,000	-
Short / ( Excess ) Provision for Tax		-	1,814,793
XIV. Profit(Loss) from the period from continuing operations	(XII-XIII)	6,746,992	(7,937,690)
XV. Profit/(Loss) from discontinuing operations			
<b>XVI. Profit/(Loss) for the period</b>	<b>(XIV+XV)</b>	<b>6,746,992</b>	<b>(9,752,483)</b>
<b>XVII. Earning per equity share:</b>	19		
(1) Basic		0.70	(1.22)
(2) Diluted		0.70	(1.22)

Significant Accounting policies and Notes forming parts of accounts

1

**For : - J Vageriya & Associates**  
**Chartered Accountants**

  
**Jitendra Vageriya**  
**Partner**  
M. No.: 114424  
FRN: 124193W



Place : Ahmedabad  
Date: 26/06/2020

**For and on behalf of Board : -**

  
**Ashok Bafna**      **Shashen Shah**  
**Director**      **Director**  
DIN: 01431472      DIN :01569241

Place : Mumbai  
Date: 26/06/2020



**MONARCH NETWORK FINSERVE PRIVATE LIMITED**

**Statement of Cash Flow Annexed to the Balance Sheet**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary Items	8,760,826	(7,744,334)
Adjustments for		
Depreciation		
Provision for Tax	(1,865,000)	
Provision for Standard Assets	318,756	313,002
Provison For NPA	(21,779)	19,915
Provision for Doubtful Debts	-	-
Finance Cost	54,803	4,744
Interest Received	-	-
Operating profit before working capital changes	<b>7,247,605</b>	<b>(7,406,673)</b>
Adjustments for		
Decrease / (Increase) in Trade and other Receivables	(50,885,757)	(65,354,436)
Increase / (Decrease) in Trade Payable and Provisions	3,520,483	65,014,083
Cash Generated from operations	<b>(40,117,669)</b>	<b>(7,747,026)</b>
Income Tax Paid For The Year		
Prior Period Items		
<b>Net Cash Flow From Operating Activites ( A )</b>	<b>(40,117,669)</b>	<b>(7,747,026)</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Interest Received	-	-
<b>Net Cash flow from Investing Activities ( B )</b>	<b>-</b>	<b>-</b>
<b>C. Cash flow From Financing Activities</b>		
Issue of Share Capital	49,999,980	-
Finance Cost	(54,803)	(4,744)
<b>Net Cash flow from Financing Activities ( C )</b>	<b>49,945,177</b>	<b>(4,744)</b>
<b>Net Increase in Cash &amp; Cash Equivalents ( A ) + ( B ) + ( C )</b>	<b>9,827,506</b>	<b>(7,751,770)</b>
Opening Balance of Cash & Cash Equivalents	4,714,311	12,466,081
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>14,541,817</b>	<b>4,714,311</b>

**Notes :**

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting This is the Cash Flow Statement referred to in our report of even date.

**For : - J Vageriya & Associates**  
**Chartered Accountants**

**Jitendra Vageriya**  
**Partner**  
M. No.: 114424  
FRN: 124193W



**Place : Ahmedabad**  
**Date: 26/06/2020**

**For and on behalf of the Board**

**Ashok Bafna**  
**Director**  
DIN: 01431472

**Shailen Shah**  
**Director**  
DIN :01569241



**Place : Mumbai**  
**Date: 26/06/2020**

**MONARCH NETWORK FINSERVE PRIVATE LIMITED**

**Note : 2 - Share Capital**

Particulars		Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
<b>Share Capital</b>			
<b>a. Authorised Share Capital:</b>			
1,50,00,000 No. of Equity Shares Rs. 10 Each		150,000,000	150,000,000
<b>b. Issued, Subscribed and Fully Paid up Share Capital</b>			
96,66,666 No. of Equity Shares Rs. 10 Each		96,666,660	80,000,000
<b>c. Par Value per Share</b>		Rs. 10	Rs. 10
<b>d. Number of equity shares at the beginning of the year</b>		5,000,000	5,000,000
Add: Rights issue		3,000,000	3,000,000
Bonus issue		-	-
Less: Buy back		1,666,666	-
Number of equity shares at the end of the year		9,666,666	8,000,000
<b>e. % of Shares held by</b>			
Holding company		100%	100%
<b>f. Number of shares held by share holders more 5% of total shares</b>			
Monarch Network Capital Limited		100%	100%
<b>g. Amount of Calls unpaid Rs.</b>			
( i ) Calls unpaid by directors Rs.		Nil	Nil
( ii ) Calls unpaid by officers Rs.		Nil	Nil
<b>h. No of shares Forfeited :</b>			
Amount originally paid up :		Nil	Nil





## Note: 3 - Reserves and Surplus

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Share Premium	8,701,110	8,701,110
Add : Premium	33,333,320	
General Reserve	9,174,589	7,811,867
<b>Surplus from Profit &amp; Loss account :</b>		
Opening balance	(32,986,594)	(23,234,110)
Add: Current year surplus	6,746,992	(9,752,483)
Less: Transfer to general reserve	(1,362,722)	0
Closing balance	(27,602,324)	(32,986,594)
<b>Total</b>	<b>23,606,695</b>	<b>(16,473,617)</b>

Note: 20 %of Net Profit Transferred to General Reserve (As per norms applicable to Non-Banking Financial Company)

## Note : 4 - Long term Provision

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Provision for Gratuity	20,571	218,428
Provision for NPA	-	21,779
Provision for Audit Fees	40,000	40,000
<b>Total</b>	<b>60,571</b>	<b>280,207</b>

## Note: 5 - Trade payables

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Creditors for fund availed (loan against Shares)		
- Secured against pledge of shares of Customers	252,599,775	184,003,736
Trade Payables-Client	1,364,356	1,005,163
Statutory Liabilities	329,870	839,555
Sundry Creditors - Others	69,317	125,370
<b>Total</b>	<b>254,363,318</b>	<b>185,973,824</b>

Note: 1 Balance of Sundry Creditors are subject to confirmation by the parties concerned.

Note: 2 In absence of information regarding vendors covered under the Micro, Small and Medium Enterprises Development Act, 2006, disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act has not been given.

## Note: 6 - Short Term Provisions

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Contingent Provisions against Standard Assets	1,620,761	1,302,005
Staff cost payable	211,672	24,400
<b>Total</b>	<b>1,832,433</b>	<b>1,326,405</b>



## Note: 7 - Short term borrowings

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Loan from Related parties	19,340,000	84,198,427
<b>Total</b>	<b>19,340,000</b>	<b>84,198,427</b>

## Note: 9 - DTA/(DTL)

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
<b>Deferred Tax Assets</b>		
Difference of Net Block of Assets	371,273	792,863
<b>Deferred Tax Assets</b>		
Provision for Gratuity	20,571	218,428
Net Timing Difference	391,844	1,011,291
<b>Deferred Tax Assets (Net)</b>	<b>114,102</b>	<b>262,935</b>

## Note: 10 - Trade Receivables

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Trade Receivables (Standard Assets)		
More than six months	179,832,076	171,573,789
Less than six months	180,336,967	140,653,861
<b>Total</b>	<b>360,169,043</b>	<b>312,227,650</b>
Less: Provision for Doubtful Debts		-
<b>Total ( Net of Provision )</b>	<b>360,169,043</b>	<b>312,227,650</b>
Secured Considered Good (as per management certification)	270,333,109	225,234,217
Unsecured considered good (As per management certificate)	89,835,934	86,993,433

Note: 1 Company has made provision for Non performing assets for outstanding receivables at the end of the year.

Note: 2 Balance of Trade Receivables are subjected to confirmation and reconciliations by and from the parties concerned.

## Note: 11 - Cash and Cash Equivalents

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
a. Cash and cash equivalents		
(i) Balance with scheduled banks	14,520,057	4,697,937
(ii) Cash in hand ( as certified by management )	21,760	16,374
<b>Total</b>	<b>14,541,817</b>	<b>4,714,311</b>

## Note: 12 - Short-term loans and advances

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Balance with government authorities	16,011,059	11,508,002
Provision for Income Tax	3,013,118	4,499,523
Other Advances	7,000	79,288
<b>Total</b>	<b>19,031,176</b>	<b>16,086,812</b>



MONARCH NETWORK FINSERVE PRIVATE LIMITED

Note : 8 - Fixed Assest

Sr. No.	Tangible asset	Gross Value				Depreciation				Closing balance	
		As on 01/04/2019	Additions	Deletions	As on 31/03/2020	As on 01/04/2019	Additions	Deletions	As on 31/03/2020	As on 31/03/2020	As on 31/03/2019
1	Computers	23,868,212	-	-	23,868,212	22,674,791		-	22,674,791	1,193,421	1,193,421
2	Office Equipments	5,235,279	-	-	5,235,279	4,973,511		-	4,973,511	261,768	261,768
3	V- Sat Equipments	11,167,083	-	-	11,167,083	10,608,734		-	10,608,734	558,349	558,349
	<b>Total</b>	<b>40,270,575</b>	<b>-</b>	<b>-</b>	<b>40,270,575</b>	<b>38,257,036</b>	<b>-</b>	<b>-</b>	<b>38,257,036</b>	<b>2,013,538</b>	<b>2,013,538</b>



**MONARCH NETWORK FINSERVE PRIVATE LIMITED**

**Note: 13 - Revenue from Operations**

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Interest Earned	93,041,741	58,397,979
Processing Fees	162,000	80,000
<b>Total</b>	<b>93,203,741</b>	<b>58,477,979</b>

**Note: 14 - Other Income**

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Other Income	246,648	1,684
Interest on Income Tax Refund	124,325	107,757
<b>Total</b>	<b>370,973</b>	<b>109,441</b>

**Note : 15 - Employee Benefit Expense**

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Salary & Allowances	1,347,902	3,361,232
Statutory Contribution	7,204	170,145
Common Infrastructure Cost-Salary	5,372,660	5,249,217
<b>Total</b>	<b>6,727,766</b>	<b>8,780,594</b>

**Note : 16- Operating Expense**

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Interest on Loan Aailed	60,791,212	39,037,768
Commission on Sharing	171,964	20,801
<b>Total</b>	<b>60,963,176</b>	<b>39,058,569</b>

**Note: 17 - Administrative, selling and Distribution**

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
<b>Administration expenses</b>		
Audit Fees		
(a) Statutory Auditor	25,000	25,000
(b) Tax Auditor	15,000	15,000
Common Infrastructure Charges	2,803,337	2,845,018
Depository Participant Charges	45,827	50,000
Fees & Subscription	40,504	55,226
Conveyance & Travelling	1,856	1,002
Telephone & Communication Charges	2,492	2,418





**MONARCH NETWORKTH FINSERVE PRIVATE LIMITED**

Legal & Professional Charges	1,413,250	3,630,740
Office Expense	38,926	34,592
Printing & Stationary	1,300	35,532
Stamp & Franking Charges	91,407	171,674
Rent Expenses	900,000	900,000
Charity & Donation	200,000	-
Other Expenses	54,135	-
Bad Debts	11,167,883	10,561,376
Sundry Balances Written off	(29,749)	(172,648)
<b>Total</b>	<b>16,771,167</b>	<b>18,154,930</b>

Note: 1 Common Infrastructure Charges for amounting to Rs. 81,75,997/- of current financial year paid to Holding Company Monarch Network Capital Limited.

**Note: 18 - Financial Expenses**

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Bank charges	4,803	4,114
Other Charges	50,000	630
<b>Total</b>	<b>54,803</b>	<b>4,744</b>

**Note: 19- Earning Per Share**

Particulars	Figures as at 31st March, 2020 Amount in Rs.	Figures as at 31st March, 2019 Amount in Rs.
Net Profit or (Loss ) attributable to Equity Share Holders	6,746,992	(9,752,483)
Weighted Average No. of Equity Share outstanding at the end of year	9,666,666	8,000,000
Basic Earnig per share	0.70	(1.22)
Diluted Earnig per share	0.70	(1.22)



**Note: 20- Related Party Transaction**

Name of the Related Party	Nature Of Relationship	Figures as at 31st March, 2020 Amount in Rs.	Nature of transaction
Monarch Network Capital Limited	Holding Company	8,175,997	Common Infrastructure charges Paid
Monarch Network Capital Limited	Holding Company	21,134,340	Interest on Loan
Networkth Finanail Services Limited	Assicaute Company	19,340,000	Loan Outstanding
Monarch Network Capital Limited	Holding Company	900,000	Office Rent
Monarch Network Capital Limited	Holding Company	45,827	Demat Charges

**Note: 21 :**

a) As informed and self certification made by the management, Contingent Liabilities for the year ended 31st, March 2020 is that Company has received Order u/s 143(3) of Income tax Act, 1961 for A.Y 2011-12 and demand of Rs.1,33,430 raised, Also Company has received U/s 271 (1)(C) of Income tax Act, 1961 for AY. 2011.12 and demand of Rs.5,20,000/-. In connection with the same assessee has filed an appeal against the same demand.

b) As informed and self certification made by the management, Contingent Liabilities for the year ended 31st, March 2020 is that Company has received Order u/s 143(3) of Income tax Act, 1961 for A.Y 2012-13 and demand of Rs. 3,35,480/- raised, In connection with the same assessee filed an appeal against the same demand.

c) As informed and self certification made by the management, Contingent Liabilities for the year ended 31st, March 2020 is that Company has received Order u/s 143(3) of Income tax Act, 1961 for A.Y 2014-15 and demand of Rs.4,12,950/- raised, In connection with the same assessee has filed an appeal against the same demand.

**Note: 22** In the opinion of the Directors of the Company the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which items are stated in the Balance Sheet.

**Note: 23** Previous year's figures have been regrouped, reclassified and rearranged wherever necessary.





**Schedule to the Balance Sheet of a Non-Banking Financial Company**  
**(As required in terms of paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding)**  
**Companies Prudential Norms (Reserve Bank) Directions, 2007)**

Particulars		(Amount in Rupees)	
<b>Liabilities side :</b>			
1	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>	<b>Amount out-standing</b>	<b>Amount overdue</b>
	(a) Debentures : Secured	0	0
	: Unsecured	0	0
	(other than falling within the meaning of public deposits*)	0	0
	(b) Deferred Credits	0	0
	(c) Term Loans	0	0
	(d) Inter-corporate loans and borrowing	0	0
	(e) Commercial Paper	0	0
	(f) Public Deposits*	0	0
	(g) Other Loans- Banks & Financial Institutions	252,599,775	0
	* Please see Note 1 below		
2	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
	(a) In the form of Unsecured debentures	0	0
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	0	0
	(c) Other public deposits	0	0
	* Please see Note 1 below		
<b>Assets side :</b>		<b>Amount in Rupees</b>	
		<b>Amount outstanding</b>	
3	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
	(a) Secured	270,333,109	0
	(b) Unsecured	89,835,934	0
4	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	0	0
	(b) Operating lease	0	0
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	0	0
	(b) Repossessed Assets	0	0
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	0	0
	(b) Loans other than (a) above	0	0



<b>5 Break-up of Investments :</b>		
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity	0	0
(b) Preference	0	0
(ii) Debentures and Bonds	0	0
(iii) Units of mutual funds	0	0
(iv) Government Securities	0	0
(v) Others (please specify)	0	0
2. Unquoted :		
(i) Shares : (a) Equity	0	0
(b) Preference	0	0
(ii) Debentures and Bonds	0	0
(iii) Units of mutual funds	0	0
(iv) Government Securities	0	0
(v) Others (please specify)	0	0
Long Term investments :		
1. Quoted :		
(i) Shares : (a) Equity	0	0
(b) Preference	0	0
(ii) Debentures and Bonds	0	0
(iii) Units of mutual funds	0	0
(iv) Government Securities	0	0
(v) Others (please specify)	0	0
2. Unquoted :		
(i) Shares : (a) Equity	0	0
(b) Preference	0	0
(ii) Debentures and Bonds	0	0
(iii) Units of mutual funds	0	0
(iv) Government Securities	0	0
(v) Others (please specify)	0	0

**6 Borrower group-wise classification of assets financed as in (3) and (4) above :**

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	0	0	0
(b) Companies in the same group	0	0	0
(c) Other related parties	0	0	0
2. Other than related parties	360,169,043	0	360,169,043
<b>Total</b>	<b>360,169,043</b>	<b>0</b>	<b>360,169,043</b>

**7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Please see note 3 below

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	0	0
(b) Companies in the same group	0	0
(c) Other related parties	0	0
2. Other than related parties	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

\*\* As per Accounting Standard of ICAI (please see Note 3)



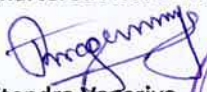


(8) Other information			
	Particulars	Amount	Amount
(i)	Gross Non-Performing Assets		
	(a) Related parties		
	1. Other than related parties	-	19,340,000
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	-	19,340,000
(ii)	Assets acquired in satisfaction of debt		
i)		-	-

**Notes:**

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

**For : - J Vageriya & Associates**  
**Chartered Accountants**

  
**Jitendra Vageriya**  
**Partner**  
M. No.: 114424  
FRN: 124193W



**Place : Ahmedabad**  
**Date: 26/06/2020**

**For and on behalf of Board :-**

  
**Ashok Bafna**  
**Director**  
DIN: 01431472

  
**Shailen Shah**  
**Director**  
DIN :01569241

**Place : Mumbai**  
**Date: 26/06/2020**

**Schedules forming part of the Balance Sheet as at 31st March, 2019 and the Profit and Loss Account for the period ending 31<sup>st</sup> March, 2020.**

**Note 1: Significant Accounting Policies**

**1. Basis of Accounting**

The Company ("Monarch Network Finserve Private Limited") is an existing private limited company incorporated on 11/07/1996 under the provisions of the Companies act, 1956/2013 having its registered office at Office no. 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhavan, Sonawala Lane, Goregaon (East), Mumbai 400063. Monarch Network Finserve Private Limited is RBI registered NBFC company and offers loan against securities to its registered clients. The company operates from Mumbai.

**2. Use of Estimates**

These financial statements have been prepared on the basis of estimates, wherever necessary, which have an effect on the reported amounts of assets and liabilities as on the date of the statements and the reported amounts of income and expenditure for the reporting period. The difference between actuals and estimates is recognized in the subsequent period when the actuals are known.

**3. Revenue Recognition**

Revenue Recognition in the books of accounts has been recognized in the books of accounts in consonance with Accounting Standard - 9 relating to Revenue recognition. Revenue for interest income has been accounted in the books of accounts for on accrual basis, based on the agreement entered into between the parties as per the terms of the agreed upon.

**4. Fixed Assets and Depreciation**

- (a) Fixed assets are stated at the cost of acquisition less accumulated depreciation. Depreciation on fixed assets is provided on straight-line method on a prorata basis at the rates prescribed under Schedule II to the Companies Act, 2013.
- (b) Intangible assets are recognized as per the criteria specified in Accounting Standard 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India.
- (c) An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which as asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**5. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period and adjusted for the effects of all dilutive potential equity shares.





6. **Employee Benefits**

Employer's Contribution to the Provident Fund & Pension fund are charged to the Profit & Loss Account of the period to which they relate. During the current year company has no employees more than 5 years and hence does not required provision for retirement benefits of employees.

7. **Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income of the year.

Deferred tax for the year is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable/virtual certainty of its realisation.

The carrying amount of Deferred Tax Assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

8. **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Signatures to Notes 1 to 26 forming part of the financial statements and to the above notes.**

**For: - J Vageriya & Associates  
Chartered Accountants**

  
  
**Jitendra Vageriya**  
Partner  
M. No.: 114424  
FRN: 124193W

Place: Ahmedabad  
Date: 26/06/2020

**For and on behalf of the board: -**

  
  
  
**Ashok Bafna** **Shailen Shah**  
Director Director  
DIN: 01431472 DIN: 01569241

Place: Mumbai  
Date: 26/06/2020

**Independent Auditors' Report**

TO,  
THE MEMBERS OF,

**Networth Financial Services Limited,**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone financial statements of **Networth Financial Services Limited** which comprises the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, for the year then ended, Statement of cash flow for the year then ended and notes to the 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 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, 2020, and profit/loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

**Management's Responsibility for the standalone Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

### **Report on other Legal and Regulatory Requirements**

1. As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the central government of India in terms of sub-section (11) of 143 of the Act, We give in "**Annexure - A**" a statement on the matter specified in paragraph 3 and 4 of the order.
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 purpose of our audit;



- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act. read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 reports express an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial position.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
  - iii) The Provisions of transfer of funds to Investor Education and Protection Fund not applicable to the Company.





**The "Annexure A" referred to in paragraph 1 of the Our Report of even date to the members of Networth Financial Services Limited, on the accounts of the company for the year ended 31st March, 2020.**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- (i). a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. We have been informed that, the fixed assets have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.
- c. Company has not any immovable property; accordingly clause 3(i) (c) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (ii). The company is not having any Inventory at any time during the year. Accordingly clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 hence clause 3(iii) of companies (auditor's Report) order 2016 is not applicable.
- (iv) In respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) According to the information and explanation given to us, the company has not accepted any deposits from the public hence clause 3(v) of companies (auditor's Report) order 2016 is not applicable.
- (vi) According to the information and explanation given to us, maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the product dealt with by the company as prescribed by central government is not applicable to the company.



- (vii) According to the information and explanation given to us and record examined by us, the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities have been regularly deposited with the appropriate authorities. There are no arrears of statutory dues for a period of more than six months.
- (viii) According to the records made available to us and information and explanation given to us by the management, in our opinion the company has not defaulted in repayment of dues to a bank or financial institution.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year hence clause 3(ix) of companies (auditor's Report) order 2016 is not applicable.
- (x) According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during course of our audit.
- (xi) The company did not paid managerial remuneration during course of our audit hence clause 3(xi) of companies (auditor's Report) order 2016 is not applicable.
- (xii) According to the information and explanation given to us the company is not a nidhi company hence clause 3(xii) of companies (auditor's Report) order 2016 is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence clause 3(xiv) of companies (auditor's Report) order 2016 is not applicable.
- (xv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into non





cash transactions with directors or persons connected with him hence clause 3(xv) of companies (auditor's Report) order 2016 is not applicable.

(xvi) The company is not required to be registered under section 45-IA of Reserve Bank of India Act 1934.

## **"Annexure B" to the Auditors' Report**

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

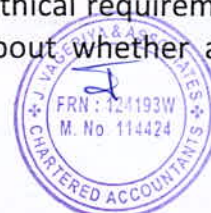
We have audited the internal financial controls over financial reporting of Ravisha Financial Services Private Limited as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate





internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, J Vageriya & Associates**  
Chartered Accountants



CA. Jitendra Vageriya  
Partner

M. No. 114424; FRN.: 124193W

**UDIN: 20114424AAAAGG2663**

Date: 26/06/2020

Place: Ahmedabad

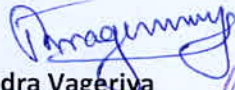
**NETWORTH FINANCIAL SERVICES LIMITED**  
**Balance Sheet for the year ended on 31st March, 2020**

Particulars	Note No.	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	2,09,50,000	2,09,50,000
(b) Reserves and Surplus	3	(14,89,765)	(14,66,692)
<b>(2) Current Liabilities</b>			
(a) Trade payables	4	5,000	5,000
(b) Short-term provisions	5	-	-
<b>Total</b>		<b>1,94,65,235</b>	<b>1,94,88,308</b>
<b>II. Assets</b>			
<b>(1) Current assets</b>			
(a) Cash and cash equivalents	6	1,25,235	1,40,694
(b) Short-term loans and advances	7	1,93,40,000	1,93,47,615
<b>Total</b>		<b>1,94,65,235</b>	<b>1,94,88,308</b>

Significant Accounting policies and Notes forming parts of accounts

1

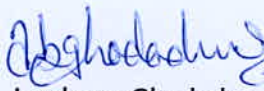
**For : - J Vageriya & Associates**  
**Chartered Accountants**

  
**Jitendra Vageriya**  
**Partner**  
M. No. : 114424  
FRN: 124193W



Place : Ahmedabad  
Date: 26/06/2020

**For and on behalf of Board : -**

  
**Jayshree Ghodadra**  
**Director**  
DIN: 06909047

  
**Shailen Shah**  
**Director**  
DIN :01569241



Place : Ahmedabad  
Date: 26/06/2020



**NETWORTH FINANCIAL SERVICES LIMITED**  
**Statement of profit and Loss for the year ended 31st March, 2020**

Particulars	Note No.	Figures for the year ended 31st March, 2020 Amount in RS.	Figures for the year ended 31st March, 2019 Amount in RS.
<b>Income:</b>			
I. Other Income	8	-	-
<b>Total Revenue ( A )</b>			
<b>Expenses:</b>			
II. Administrative & General Expense	9	23,074	43,970
<b>Total Expenses ( B )</b>		23,074	43,970
III. Profit before exceptional and extraordinary items and tax	( A ) - ( B )	(23,074)	(43,970)
IV. Extraordinary Items		-	-
<b>V. Profit before tax</b>	<b>( III - IV )</b>	<b>(23,074)</b>	<b>(43,970)</b>
VI. Tax expense:			
(1) Current tax		-	-
(2) Excess / Short Provision of Income Tax		-	-
VII. Profit(Loss) from the perid from continuing operations	(V-VI)	(23,074)	(43,970)
VIII. Profit/(Loss) from discontinuing operations		-	-
<b>IX. Profit/(Loss) for the period</b>	<b>(VII+VIII)</b>	<b>(23,074)</b>	<b>(43,970)</b>
<b>X. Earning per Equity Share:</b>	10		
(1) Basic		(0.01)	(0.02)
(2) Diluted		(0.01)	(0.02)

Significant Accounting policies and Notes forming parts of accounts

1

For : - J Vageriya & Associates  
Chartered Accountants

Jitendra Vageriya  
Partner  
M. No. : 114424  
FRN: 124193W



Place : Ahmedabad  
Date: 26/06/2020

For and on behalf of Board :

Jayshree Ghodadra Shailen Shah  
Director Director  
DIN: 06909047 DIN :01569241



Place : Ahmedabad  
Date: 26/06/2020

**NETWORTH FINANCIAL SERVICES LIMITED**  
**Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2020**

Particulars	Figures for the year ended 31st March , 2020 Amount in "Rs."	Figures for the year ended 31st March , 2019 Amount in "Rs."
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary Items	(23,074)	(43,970)
Adjustments for		
Depreciation		-
Preliminary/Share Issue Exp. Written off		-
Finance Expenses		-
Loss on assets sold/discarded		-
Operating profit before working capital changes	(23,074)	(43,970)
Adjustments for		
Decrease / (Increase) in Trade and other Receivables	-	1,770.00
Increase / (Decrease) in Trade Payable and Provisions	7,615.00	(16,800.00)
Cash Generated from operations	(15,459)	(59,000)
Income Tax Paid For The Year		
Prior Period Items		
<b>Net Cash Flow From Operating Activities ( A )</b>	<b>(15,459)</b>	<b>(59,000)</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets		-
Sale of Fixed Assets		-
<b>Net Cash flow from Investing Activities ( B )</b>		-
<b>C. Cash flow From Financing Activities</b>		
Finance Expenses		-
Loan Taken During the Year (net)		
<b>Net Cash flow from Financing Activities ( C )</b>		-
<b>Net Increase in Cash &amp; Cash Equivalents ( A ) + ( B ) + ( C )</b>	<b>(15,459)</b>	<b>(59,000)</b>
Opening Balance of Cash & Cash Equivalents	1,40,694	1,99,693
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>1,25,236</b>	<b>1,40,694</b>

**Notes :**

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred to in our report of even date.

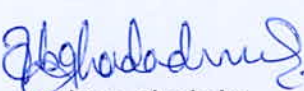
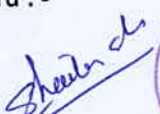
**For : - J Vageriya & Associates**  
**Chartered Accountants**

  
**Jitendra Vageriya**  
**Partner**  
M. No. : 114424  
FRN: 124193W



Place : Ahmedabad  
Date: 26/06/2020

**For and on behalf of Board : -**

   
**Jayshree Ghodadra** **Shailen Shah**  
**Director** **Director**  
DIN: 06909047 DIN :01569241



Place : Ahmedabad  
Date: 26/06/2020



**NETWORTH FINANCIAL SERVICES LIMITED**

**Note: 2 - Share Capital**

Particulars		Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
1	<b>Share Capital</b>		
	<b>a. Authorised Share Capital:</b>		
	30,00,000 No. of Equity Shares of Rs. 10 Each	3,00,00,000	3,00,00,000
	<b>b. Issued, Subscribed and Fully Paid up Share Capital</b>		
	20,95,000 No. of Equity Shares of Rs. 10 Each	2,09,50,000	2,09,50,000
	<b>c. Par Value per Share</b>	Rs. 10	Rs. 10
	<b>d. Number of Equity Shares at the beginning of the year</b>	20,95,000	20,95,000
	Add: Rights issue	-	-
	Bonus issue	-	-
	Less: Buy back	-	-
	Number of equity shares at the end of the year	20,95,000	20,95,000
	<b>e. % of Shares held by</b>		
	Holding company	Nil	Nil
	<b>f. Number of shares held by share holders more 5% of total shares</b>		
	Monarch Network Capital Limited	45.32%	45.32%
	Shyam Basic Infrastructural Projects Private Limited	47.37%	47.37%
	<b>g. Amount of Calls unpaid Rs.</b>		
	( i ) Calls unpaid by directors Rs.	Nil	Nil
	( ii ) Calls unpaid by officers Rs.	Nil	Nil
	<b>h. No of shares Forfeited :</b>		
	amount originally paid up :	Nil	Nil



**NETWORTH FINANCIAL SERVICES LIMITED**

**Note: 3 - Reserves and Surplus**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
(a) Security Premium	19,00,000	19,00,000
(b) Surplus from Profit & Loss account		
Opening balance	(33,66,692)	(33,22,722)
Add: Current year surplus	(23,074)	(43,970)
Closing balance	(33,89,765)	(33,66,692)
<b>Total</b>	<b>(14,89,765)</b>	<b>(14,66,692)</b>

**Note: 4 - Trade Payables**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
Provision for Expenses	5,000	5,000
<b>Total</b>	<b>5,000</b>	<b>5,000</b>

**Note: 5 - Short term provisions**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
Provision for Taxation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note: 6 - Cash and Bank Balance**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
a. Cash and cash equivalents		
(i) Balance with banks		
In current account	1,25,235	1,40,694
(ii) Cash in hand ( As certified by Management)		-
<b>Total</b>	<b>1,25,235</b>	<b>1,40,694</b>

**Note: 7 - Short term loans and advances**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
Loans and advances to related parties	1,93,40,000	1,93,47,615
<b>Total</b>	<b>1,93,40,000</b>	<b>1,93,47,615</b>





**NETWORTH FINANCIAL SERVICES LIMITED**

**Note: 8 - Other Income**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
Other Income	-	-
<b>Total</b>	-	-

**Note: 9 - Administrative Expenses**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
Auditors Remuneration	5,000	5,000
Fees & Subscription Charges	14,300	11,776
Bank charges	24	24
Demat Charges	1,770	1,770
Office Expenses		25,400
Misc Expenses	1,980	-
<b>Total</b>	<b>23,074</b>	<b>43,970</b>

**Note: 10 Earning Per Share**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
Net Profit or (Loss ) attributable to Equity Share Holders	(23,074)	(43,970)
Weighted Average No. of Equity Share outstanding at the end of year	20,95,000	20,95,000
Basic Earnig per share	(0.01)	(0.02)
Diluted Earnig per share	(0.01)	(0.02)

**Note: 11 Related Party Transaction**

Name of the Related Party	Figures as at 31st March, 2020 Amount in Rs.	Nature of transaction
Monarch Network Finserve Pvt Ltd -Associate Company	1,93,40,000	Trade Receivable

Note: 12 Previous year's figures have been regroup, reclassified and rearranged wherever necessary.

Note: 13 As informed and self certification made by the management, Contingent Liabilities for the year ended 31st, March 2020 is Nil (P.Y.: Nil)



**Schedules forming part of the Balance Sheet as at 31st March, 2020 and the Profit and Loss Account for the period ending 31st March, 2020.**

**Note 1: Significant Accounting Policies**

**1. Basis of Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

**2. Use of Estimates**

These financial statements have been prepared on the basis of estimates, wherever necessary, which have an effect on the reported amounts of assets and liabilities as on the date of the statements and the reported amounts of income and expenditure for the reporting period. The difference between actuals and estimates is recognized in the subsequent period when the actuals are known.

**3. Revenue Recognition**

Revenue Recognition in the books of accounts has been recognized in the books of accounts in consonance with Accounting Standard - 9 relating to Revenue recognition. However, during the year under review, company has not conducted any business operation.

**4. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period and adjusted for the effects of all dilutive potential equity shares.

**5. Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income of the year.

Deferred tax for the year is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable/virtual certainty of its realisation.





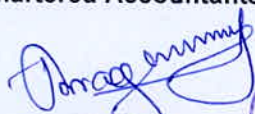
The carrying amount of Deferred Tax Assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

**6. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Signatures to Notes 1 to 13 forming part of the financial statements and to the above notes.**

**For: J Vageriya & Associates:  
Chartered Accountants**

  
**Jitendra Vageriya**  
Partner  
M. No. 114424  
FRN: 124193W



Place: Ahmedabad  
Date: 26/06/2020

**For and on behalf of Board:**

  
**Jayshree Ghodadra**  
Director  
DIN: 06909047

  
**Shailen Shah**  
Director  
DIN: 01569241





### INDEPENDENT AUDITORS' REPORT

To,

The Members,

MONARCH NETWORK CAPITAL IFSC PVT LTD,

#### Report on the Financial Statements

We have audited the accompanying financial statements **MONARCH NETWORK CAPITAL IFSC PVT LTD** which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the





Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020;
- b) In the case of the Statement of Profit and Loss, of the losses for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

- (1) In the annexure as required by the companies (Auditor's Report) order, 2016 issued by the central government in terms of section 143 (11) of the Companies Act, 2013 according to the information and explanation given to us as we considered appropriate contain the matters specified in paragraphs 3 and 4, of the said order to the extent applicable to the company.
- (2) As required by Companies Act, 2013, 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 appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – The Company does not have any pending litigations which would impact its financial position
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts – The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - There were no amounts which required to be transferred.

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Networth Financial Services Limited, on the accounts of the company for the year ended 31<sup>st</sup> March, 2020.**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- (i). The company does not have any fixed assets. Accordingly clause 3(i) is not applicable.
- (ii). The company is not having any Inventory at any time during the year. Accordingly clause 3(ii) is not applicable.
- (iii). The company has granted interest free unsecured loan, tolerated company, firms or other parties covered in the register maintained under section 189 of the Companies Act.
  - (a). The terms and conditions of the grant of such loans are prejudicial to the company's interest;
- (iv) In respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The company has not accepted the any deposits from the public hence clause 3(v) of is not applicable.
- (vi) According to the information and explanation given to us, maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the product dealt with by the company as prescribed by central government is not applicable to the company.
- (vii) According to the information and explanation given to us and record examined by us, the undisputed statutory dues such as income tax and other dues have been regularly deposited with the appropriate authorities. There are no arrears of statutory dues for a period of more than six months.





- (viii) According to the records made available to us and information and explanation given to us by the management, in our opinion the company has not defaulted in repayment of dues to a bank or financial institution.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year hence clause 3(ix) of companies (auditor's Report) order 2016 is not applicable.
- (x) According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during course of our audit.
- (xi) The company did not paid managerial remuneration during course of our audit hence clause 3(xi) of companies (auditor's Report) order 2016 is not applicable.
- (xii) According to the information and explanation given to us the company is not a Nidhi company hence clause 3(xii) of companies (auditor's Report) order 2016 is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence clause 3(xiv) of companies (auditor's Report) order 2016 is not applicable.
- (xv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into non cash transactions with directors or persons connected with him hence clause 3(xv) of companies (auditor's Report) order 2016 is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of Reserve Bank of India Act 1934.



**For: J Vageriya & Associates  
Chartered Accountants**

**CA. Jitendra Vageriya  
Partner**

M. No. 114424; FRN: 124193W

Date: - 29/06/2020

Place: -Ahmedabad

**UDIN: 20114424AAAAGD5495**

**MONARCH NETWORK CAPITAL IFSC PVT LTD**

Balance Sheet for the year ended on 31st March, 2020

Particulars	Note No.	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	5,00,000	5,00,000
(b) Reserves and Surplus	3	(1,13,047)	(6,000)
<b>(2) Current Liabilities</b>			
(a) Trade payables	4	1,26,687	19,640
(b) Short-term provisions	5		
<b>Total</b>		<b>5,13,640</b>	<b>5,13,640</b>
<b>II. Assets</b>			
<b>(1) Current assets</b>			
(a) Cash and cash equivalents	6		
(b) Preliminary Expenses		5,13,640	5,13,640
<b>Total</b>		<b>5,13,640</b>	<b>5,13,640</b>

Significant Accounting policies and Notes forming parts of accounts

1

For: J Vageriya & Associates  
Chartered AccountantsJitendra Vageriya  
Partner  
M. No.: 114424  
FRN: 124193W

Place : Ahmedabad

Date : 29/06/2020

UDIN: 20110024AAAA6D5495

For and on behalf of Board :-

Vaibhav Shah  
( Director)  
Din:00572666Manju Bafna  
( Director)  
Din: 01459885

Place : Gandhinagar

Date : 29/06/2020



**MONARCH NETWORK CAPITAL IFSC PVT LTD**  
Statement of profit and Loss for the year ended 31st March, 2020

Particulars	Note No.	Figures for the year ended 31st March, 2020 Amount in RS.	Figures for the year ended 31st March, 2019 Amount in RS.
<b>Income:</b>			
I. Other Income	7	-	-
<b>Total Revenue ( A )</b>			
<b>Expenses:</b>			
II. Administrative & General Expense	8	1,07,047	3,000
<b>Total Expenses ( B )</b>		1,07,047	3,000
III. Profit before exceptional and extraordinary items and tax	( A ) - ( B )	(1,07,047)	(3,000)
IV. Extraordinary Items		-	-
<b>V. Profit before tax</b>	( III - IV )	<b>(1,07,047)</b>	<b>(3,000)</b>
VI. Tax expense:			
(1) Current tax		-	-
(2) Excess / Short Provision of Income Tax		-	-
VII. Profit(Loss) from the period from continuing operations	(V-VI)	(1,07,047)	(3,000)
VIII. Profit/(Loss) from discontinuing operations		-	-
<b>IX. Profit/(Loss) for the period</b>	<b>(VII+VIII)</b>	<b>(1,07,047)</b>	<b>(3,000)</b>
<b>X. Earning per Equity Share:</b>	9		
(1) Basic		(0.21)	(0.01)
(2) Diluted		(0.21)	(0.01)

For: J Vageriya & Associates  
Chartered Accountants

Jitendra Vageriya  
Partner  
M. No.: 114424  
FRN: 124193W



Place : Ahmedabad  
Date : 29/06/2020

For and on behalf of Board :-

Vaibhav Shah  
( Director)  
Din:00572666

Manju Bafna  
( Director)  
Din: 01459885

Place :Gandhinagar  
Date : 29/06/2020

**MONARCH NETWORK CAPITAL IFSC PVT LTD**

**Note: 2 - Share Capital**

Particulars		Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
1	<b>Share Capital</b>		
	<b>a. Authorised Share Capital:</b>		
	12,50,000 No. of Equity Shares of Rs. 10 Each	1,25,00,000	1,25,00,000
	<b>b. Issued, Subscribed and Fully Paid up Share Capital</b>		
	50000 No. of Equity Shares of Rs. 10 Each	5,00,000	5,00,000
	<b>c. Par Value per Share</b>	Rs. 10	Rs. 10
	<b>d. Number of Equity Shares at the beginning of the year</b>	50,000	50,000
	Add: Rights issue	-	-
	Bonus issue	-	-
	Less: Buy back	-	-
	Number of equity shares at the end of the year	50,000	50,000
	<b>e. % of Shares held by</b>		
	Holding company	Nil	Nil
	<b>f. Number of shares held by share holders more 5% of total shares</b>		
	Monarch Network Capital Limited	99.99%	99.99%
	<b>g. Amount of Calls unpaid Rs.</b>		
	( i ) Calls unpaid by directors Rs.	Nil	Nil
	( ii ) Calls unpaid by officers Rs.	Nil	Nil
	<b>h. No of shares Forfeited :</b>		
	amount originally paid up :	Nil	Nil





**MONARCH NETWORK CAPITAL IFSC PVT LTD**

**Note: 3 - Reserves and Surplus**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
(a) Security Premium		
(b) Surplus from Profit & Loss account		
Opening balance	(6,000)	(3,000)
Add: Current year surplus	(1,07,047)	(3,000)
Closing balance	(1,13,047)	(6,000)
<b>Total</b>	<b>(1,13,047)</b>	<b>(6,000)</b>

**Note: 4 - Trade Payables**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
Trade Payable	1,23,687	13,640
Provision for Expenses	3,000	6,000
<b>Total</b>	<b>1,26,687</b>	<b>19,640</b>

**Note: 5 - Short term provisions**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
Provision for Taxation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note: 6 - Cash and Bank Balance**

Particulars	Figures as at 31st March, 2020 Amount in RS.	Figures as at 31st March, 2019 Amount in RS.
a. Cash and cash equivalents		
(i) Balance with banks		
In current account	-	-
(ii) Cash in hand ( As certified by Management)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**MONARCH NETWORTH CAPITAL IFSC PVT LTD**

**Note: 7 - Other Income**

Particulars	Figures for the year ended 31st March, 2020 Amount in RS.	Figures for the year ended 31st March, 2019 Amount in RS.
Other Income		-
<b>Total</b>		-

**Note: 8 - Administrative Expenses**

Particulars	Figures for the year ended 31st March, 2020 Amount in RS.	Figures for the year ended 31st March, 2019 Amount in RS.
Auditors Remuneration	3,000	3,000
Professional Fees	33,000	-
Fees & Subscription Expenses	71,047	-
<b>Total</b>	<b>1,07,047</b>	<b>3,000</b>

**Note: 9 Earning Per Share**

Particulars	Figures for the year ended 31st March, 2020 Amount in RS.	Figures for the year ended 31st March, 2019 Amount in RS.
Net Profit or (Loss ) attributable to Equity Share Holders	(1,07,047)	(3,000)
Weighted Average No. of Equity Share outstanding at the end of year	5,00,000	5,00,000
Basic Earnig per share	(0.21)	(0.01)
Diluted Earnig per share	(0.21)	(0.01)

**Note: 10 Related Party Transaction**

Name of the Related Party	AS at 31st March- 2020	Nature Of Relationship
Monarch Network Capital Limited (Trade Payable )	1,23,687	Holding Company





**MONARCH NETWORK CAPITAL IFSC PVT LTD**  
**Statement of Cash Flow Annexed to the Balance Sheet**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary Items	(1,07,047)	(3,000)
Adjustments for		
Depreciation	-	-
Provision for Standard Assets	-	-
Provison For NPA	-	-
Provision for Doubtful Debts	-	-
Finance Cost	-	-
Interest Received	-	-
Operating profit before working capital changes	(1,07,047)	(3,000)
Adjustments for		
Decrease / (Increase) in Trade and other Receivables	-	-
Increase / (Decrease) in Trade Payable and Provisions	1,07,047	3,000
Cash Generated from operations	-	-
Income Tax Paid For The Year	-	-
Prior Period Items	-	-
<b>Net Cash Flow From Operating Activites ( A )</b>	-	-
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Interest Received	-	-
<b>Net Cash flow from Investing Activities ( B )</b>	-	-
<b>C. Cash flow From Financing Activities</b>		
Issue of Share Capital	-	-
Finance Cost	-	-
<b>Net Cash flow from Financing Activities ( C )</b>	-	-
<b>Net Increase in Cash &amp; Cash Equivalents ( A ) + ( B ) + ( C )</b>	-	-
Opening Balance of Cash & Cash Equivalents	-	-
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	-	-

**Notes :**

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting This is the Cash Flow Statement referred to in our report of even date.

**For : - J Vageriya & Associates**  
**Chartered Accountants**

**Jitendra Vageriya**  
**Partner**  
M. No.: 114424  
FRN: 124193W



Place : Ahmedabad  
Date: 29/06/2020

**For and on behalf of the Board**

**Vaibhav Shah**  
**( Director )**  
Din:00572666

**Manju Bafna**  
**( Director )**  
Din: 01459885



Place : Gandhinagar  
Date : 29/06/2020

**Schedules forming part of the Balance Sheet as at 31st March, 2020 and the Profit and Loss Account for the period ending 31st March, 2020.**

**Note 1: Significant Accounting Policies**

**1. Basis of Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

**2. Use of Estimates**

These financial statements have been prepared on the basis of estimates, wherever necessary, which have an effect on the reported amounts of assets and liabilities as on the date of the statements and the reported amounts of income and expenditure for the reporting period. The difference between actuals and estimates is recognized in the subsequent period when the actuals are known.

**3. Revenue Recognition**

Revenue Recognition in the books of accounts has been recognized in the books of accounts in consonance with Accounting Standard - 9 relating to Revenue recognition. However, during the year under review, company has not conducted any business operation.

**4. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period and adjusted for the effects of all dilutive potential equity shares.

**5. Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income of the year.

Deferred tax for the year is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable/virtual certainty of its realisation.






The carrying amount of Deferred Tax Assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

**6. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Signatures to Notes 1 to 10 forming part of the financial statements and to the above notes.**

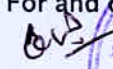

**For: J Vageriya & Associates:  
Chartered Accountants**

  
**Jitendra Vageriya**  
Partner  
M. No. 114424  
FRN: 124193W



Place: Ahmedabad  
Date: 29/06/2020

**For and on behalf of Board:**

  
  
**Vaibhav Shah**  
Director  
DIN: 00572666

  
**Manju Bafna**  
Director  
DIN : 01459885



### INDEPENDENT AUDITORS' REPORT

To,

The Members,

MONARCH NETWORK MONEY CHANGERS PVT LTD,

#### Report on the Financial Statements

We have audited the accompanying financial statements **MONARCH NETWORK MONEY CHANGERS PVT LTD** which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

(1) In the annexure as required by the companies (Auditor's Report) order, 2016 issued by the central government in terms of section 143 (11) of the Companies Act, 2013 according to the information and explanation given to us as we considered appropriate contain the matters specified in paragraphs 3 and 4, of the said order to the extent applicable to the company.

(2) As required by Companies Act, 2013, 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 appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – The Company does not have any pending litigations which would impact its financial position
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts – The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - There were no amounts which required to be transferred.

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Networth Financial Services Limited, on the accounts of the company for the year ended 31<sup>st</sup> March, 2020.**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- (i). The company does not have any fixed assets. Accordingly clause 3(i) is not applicable.
- (ii). The company is not having any Inventory at any time during the year. Accordingly clause 3(ii) is not applicable.
- (iii). The company has granted interest free unsecured loan, tolerated company, firms or other parties covered in the register maintained under section 189 of the Companies Act.
  - (a). The terms and conditions of the grant of such loans are prejudicial to the company's interest;
- (iv) In respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The company has not accepted the any deposits from the public hence clause 3(v) of is not applicable.
- (vi) According to the information and explanation given to us, maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the product dealt with by the company as prescribed by central government is not applicable to the company.
- (vii) According to the information and explanation given to us and record examined by us, the undisputed statutory dues such as income tax and other dues have been regularly deposited with the appropriate authorities. There are no arrears of statutory dues for a period of more than six months.





- (viii) According to the records made available to us and information and explanation given to us by the management, in our opinion the company has not defaulted in repayment of dues to a bank or financial institution.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year hence clause 3(ix) of companies (auditor's Report) order 2016 is not applicable.
- (x) According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during course of our audit.
- (xi) The company did not paid managerial remuneration during course of our audit hence clause 3(xi) of companies (auditor's Report) order 2016 is not applicable.
- (xii) According to the information and explanation given to us the company is not a Nidhi company hence clause 3(xii) of companies (auditor's Report) order 2016 is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence clause 3(xiv) of companies (auditor's Report) order 2016 is not applicable.
- (xv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into non cash transactions with directors or persons connected with him hence clause 3(xv) of companies (auditor's Report) order 2016 is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of Reserve Bank of India Act 1934.

**For: J Vageriya & Associates**  
**Chartered Accountants**



**CA. Jitendra Vageriya**  
**Partner**

M. No. 114424; FRN: 124193W

Date: - 26/06/2020

Place: - Ahmedabad

**UDIN: 20114424AAAAGE3011**

# MONARCH NETWORK MONEY CHANGERS PVT LTD

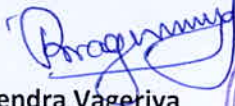
Balance Sheet for the year ended on 31st March, 2020

Particulars	Note No.	Figures as at 31st March, 2020 Amount in RS.
<b>I. Equity and Liabilities</b>		
<b>(1) Shareholder's Funds</b>		
(a) Share Capital	2	50,00,000
(b) Reserves and Surplus	3	39,098
<b>(2) Current Liabilities</b>		
(a) Trade payables	4	12,000
(b) Short-term provisions	5	13,735
<b>Total</b>		<b>50,64,833</b>
<b>II. Assets</b>		
<b>(1) Current assets</b>		
(a) Cash and cash equivalents	6	48,52,099
(b) Short-term loans and advances	7	5,483
(c) Preliminary Expenses		2,07,251
<b>Total</b>		<b>50,64,833</b>

Significant Accounting policies and Notes  
forming parts of accounts

1

For: J Vageriya & Associates  
Chartered Accountants

  
Jitendra Vageriya  
Partner  
M. No.: 114424  
FRN: 124193W



Place : Ahmedabad  
Date : 26/06/2020

UDIN:- 20114424AAAA4E3011

For and on behalf of Board :-

  
Vaibhav Shah Bankim Shah  
( Director ) ( Director )  
Din:00572666 Din:00572673


Place : Ahmedabad  
Date : 26/06/2020




**MONARCH NETWORK MONEY CHANGERS PVT LTD**

Statement of profit and Loss for the year ended 31st March, 2020

Particulars	Note No.	Figures for the year ended 31st March, 2020 Amount in RS.
<b>Income:</b>		
I. Other Income	8	54,833
<b>Total Revenue ( A )</b>		54,833
<b>Expenses:</b>		
II. Administrative & General Expense	9	2,000
<b>Total Expenses ( B )</b>		2,000
III. Profit before exceptional and extraordinary items and tax	( A ) - ( B )	52,833
IV. Extraordinary Items		-
<b>V. Profit before tax</b>	<b>( III - IV )</b>	<b>52,833</b>
VI. Tax expense:		
(1) Current tax		13,735
(2) Excess / Short Provision of Income Tax		-
VII. Profit(Loss) from the period from continuing operations	(V-VI)	39,098
VIII. Profit/(Loss) from discontinuing operations		-
<b>IX. Profit/(Loss) for the period</b>	<b>(VII+VIII)</b>	<b>39,098</b>
<b>X. Earning per Equity Share:</b>		-
(1) Basic		0.08
(2) Diluted		0.08

For: J Vageriya & Associates  
Chartered Accountants  
Jitendra Vageriya  
Partner  
M. No.: 114424  
FRN: 124193WPlace : Ahmedabad  
Date : 26/06/2020

For and on behalf of Board : -

  
Vaibhav Shah Bankim Shah  
( Director ) ( Director )  
Din:00572666 Din:00572673Place : Ahmedabad  
Date : 26/06/2020

# MONARCH NETWORK MONEY CHANGERS PVT LTD

## Note: 2 - Share Capital

Particulars		Figures as at 31st March, 2020 Amount in RS.
1	<b>Share Capital</b>	
	<b>a. Authorised Share Capital:</b>	
	6,00,000 No. of Equity Shares of Rs. 10 Each	60,00,000
	<b>b. Issued, Subscribed and Fully Paid up Share Capital</b>	
	50000 No. of Equity Shares of Rs. 10 Each	50,00,000
	<b>c. Par Value per Share</b>	Rs. 10
	<b>d. Number of Equity Shares at the beginning of the year</b>	5,00,000
	Add: Rights issue	-
	Bonus issue	-
	Less: Buy back	-
	Number of equity shares at the end of the year	5,00,000
	<b>e. % of Shares held by</b>	
	Holding company	Nil
	<b>f. Number of shares held by share holders more 5% of total shares</b>	
	Monarch Network Capital Limited	100.00%
	<b>g. Amount of Calls unpaid Rs.</b>	
	( i ) Calls unpaid by directors Rs.	Nil
	( ii ) Calls unpaid by officers Rs.	Nil
	<b>h. No of shares Forfeited :</b>	
	amount originally paid up :	Nil





**MONARCH NETWORK CAPITAL IFSC PVT LTD**

**Note: 3 - Reserves and Surplus**

Particulars	Figures as at 31st March, 2020 Amount in RS.
(a) Security Premium	
(b) Surplus from Profit & Loss account	
Opening balance	-
Add: Current year surplus	39,098
Closing balance	39,098
<b>Total</b>	<b>39,098</b>

**Note: 4 - Trade Payables**

Particulars	Figures as at 31st March, 2020 Amount in RS.
Trade Payable	-
Provision for Expenses	12,000
<b>Total</b>	<b>12,000</b>

**Note: 5 - Short term provisions**

Particulars	Figures as at 31st March, 2020 Amount in RS.
Provision for Taxation	13,735
<b>Total</b>	<b>13,735</b>

**Note: 6 - Short-term loans and advances**

Particulars	Figures as at 31st March, 2020 Amount in RS.
TDS receivable	5,483
<b>Total</b>	<b>5,483</b>

**Note: 7 - Cash and Bank Balance**

Particulars	Figures as at 31st March, 2020 Amount in RS.
a. Cash and cash equivalents	
(i) Cash in hand ( As certified by Management)	
(ii) Balance with banks	
In current account	1,02,749
(iii) FD with Bank	47,49,350
<b>Total</b>	<b>48,52,099</b>



**MONARCH NETWORTH CAPITAL IFSC PVT LTD**

**Note: 8 - Other Income**

Particulars	Figures for the year ended 31st March, 2020 Amount in RS.
FD Interest Income	54,833
<b>Total</b>	<b>54,833</b>

**Note: 9 - Administrative Expenses**

Particulars	Figures for the year ended 31st March, 2020 Amount in RS.
Auditors Remuneration	2,000
<b>Total</b>	<b>2,000</b>

**Note: 10 Earning Per Share**

Particulars	Figures for the year ended 31st March, 2020 Amount in RS.
Net Profit or (Loss ) attributable to Equity Share Holders	39,098
Weighted Average No. of Equity Share outstanding at the end of year	5,00,000
Basic Earnig per share	0.08
Diluted Earnig per share	0.08





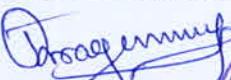
**MONARCH NETWORK CAPITAL IFSC PVT LTD**  
**Statement of Cash Flow Annexed to the Balance Sheet**

Particulars	Year ended March 31, 2020
<b>A. Cash Flow from Operating Activities</b>	
Net Profit before tax and extraordinary Items	52,833
Adjustments for	
Depreciation	-
Provision for Standard Assets	-
Provison For NPA	C
Provision for Doubtful Debts	-
Finance Cost	-
Interest Received	54,833
Operating profit before working capital changes	<b>1,07,666</b>
Adjustments for	
Decrease / (Increase) in Trade and other Receivables	-
Increase / (Decrease) in Trade Payable and Provisions	25,735
Cash Generated from operations	<b>1,33,401</b>
Income Tax Paid For The Year	13,735
Prior Period Items	
<b>Net Cash Flow From Operating Activites ( A )</b>	<b>1,47,136</b>
<b>B. Cash Flow From Investing Activities</b>	
Purchase of Fixed Assets	-
Sale of Fixed Assets	-
Interest Received	54,833
<b>Net Cash flow from Investing Activities ( B )</b>	<b>54,833</b>
<b>C. Cash flow From Financing Activities</b>	
Issue of Share Capital	50,00,000
Finance Cost	-
<b>Net Cash flow from Financing Activities ( C )</b>	<b>50,00,000</b>
<b>Net Increase in Cash &amp; Cash Equivalents ( A ) + ( B ) + ( C )</b>	<b>52,01,969</b>
Opening Balance of Cash & Cash Equivalents	-
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>52,01,969</b>

**Notes :**

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in This is the Cash Flow Statement referred to in our report of even date.

**For : - J Vageriya & Associates**  
**Chartered Accountants**

  
**Jitendra Vageriya**  
**Partner**

M. No.: 114424  
FRN: 124193W

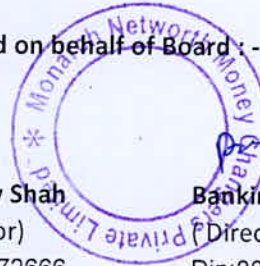


Place : Ahmedabad  
Date: 26/06/2020

**For and on behalf of Board : -**

  
**Vaibhav Shah**  
**( Director )**  
Din:00572666

  
**Bankim Shah**  
**( Director )**  
Din:00572673



Place : Ahmedabad  
Date : 26/06/2020

**Schedules forming part of the Balance Sheet as at 31st March, 2020 and the Profit and Loss Account for the period ending 31st March, 2020.**

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**1. Basis of Accounting**

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Revenue Recognition in the books of accounts has been recognized in the books of accounts in consonance with Accounting Standard - 9 relating to Revenue recognition. However, during the year under review, company has not conducted any business operation.

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**5. Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income of the year.

Deferred tax for the year is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable/virtual certainty of its realisation.





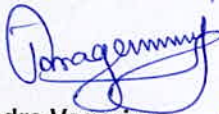
The carrying amount of Deferred Tax Assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

6. **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Signatures to Notes 1 to 10 forming part of the financial statements and to the above notes.

For: J Vageriya & Associates:  
Chartered Accountants

  
**Jitendra Vageriya**  
Partner  
M. No. 114424  
FRN: 124193W



Place: Ahmedabad  
Date: 26/06/2020

For and on behalf of Board:

  
**Vaibhav Shah**  
Director  
DIN: 00572666

  
**Bankim Shah**  
Director  
DIN: 00572673



**Independent Auditors' Report**

TO,

The Members,

**MONARCH NETWORTH INVESTMENT ADVISORS PRIVATE LIMITED,**  
(Formerly known as Monarch Insurance Broking Private Limited)

**Opinion**

We have audited the accompanying Standalone financial statements of **Monarch Network Investment Advisors Private Limited**, which comprises the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, for the year then ended, Statement of cash flow for the year then ended and notes to the 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 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, 2020, its profit, and cash flows for the year ended on that date.

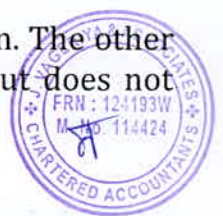
**Basis for Opinion**

We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.





Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 is responsible for the matters in section 134(5) of the Companies Act, 2013 ("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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

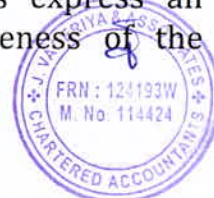




We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-\_\_ a 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 purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act. read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure-A**". Our reports express an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
  - iii) The Provisions of transfer of funds to Investor Education and Protection Fund not applicable to the Company.





## ANNEXURE A TO AUDITORS' REPORT

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

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1. In respect of its fixed assets
  - a) The Company has maintained the proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
  - c) As explained to us, the title deeds of all the immovable properties are held in the name of the company.
2. In respect of its inventories  
Inventory represents securities held as stock-in-trade in course of acting as a merchant banker and market maker for the acquired equity shares and on account of error in execution of transaction. As explained to us, inventories have been verified and reconciled during the year by the management at reasonable intervals. As informed to us, no material discrepancies were noticed on verification of inventories by the management as compared to book records.
3. The company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013:
4. According to the information and explanations given to us and based on our examination of the records of the Company, in respect of loans, investments, guarantees and security given/ made by the company, during the year, the company has complied with the provisions of section 185 & 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits from the public covered under the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Further no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or





any other tribunal on the company. Hence, Paragraph 3(v) of the Order is not applicable.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the products of the Company.
7. In respect of Statutory Dues:
  - a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities in India. According to the information and explanation given to us, there was no outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable;
  - b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any disputes

There are no dues of Sales tax, Customs tax/Wealth tax, Excise duty/cess, which have not been deposited on account of any dispute.

8. According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, banks or government. The company has also not issued debentures. Hence Paragraph 3 (viii) of the Order is not applicable.
9. According to the records of the company examined by us and as per the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and the term loans raised during the year were applied for the purpose for which those were raised.
10. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.





11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
14. The company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.



**For: J Vageriya & Associates**  
Chartered Accountants

**CA. Jitendra Vageriya**  
Partner

M. No. 114424; FRN: 124193W

Date: -29/06/2020

Place: -Ahmedabad

**UDIN: 20114424AAAAGF5658**

## **ANNEXURE B TO AUDITORS' REPORT**

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

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

We have audited the internal financial controls over financial reporting of **MONARCH NETWORTH INVESTMENT ADVISORS PRIVATE LIMITED (Formerly known as Monarch Insurance Broking Private Limited)** as of 31st March, 2020 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 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 all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India



**For: J Vageriya & Associates**  
Chartered Accountants

**CA. Jitendra Vageriya**  
Partner

M. No. 114424; FRN: 124193W

Date: -29/06/2020

Place: -Ahmedabad

**UDIN: 20114424AAAAGF5658**



**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
(Formerly known as Monarch Insurance Broking Private Limited)

**BALANCE SHEET**  
**AS AT 31ST March, 2020**  
(Currency: Indian Rupees)

Particulars	Notes	Year Ended on Mar 31,2020	Year Ended on Mar 31,2019
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets			
- Trade Receivables	2	4,37,771	25,97,135
- Cash and cash equivalents	3	1,26,31,783	72,35,105
- Loans and advances	4	2,17,518	2,64,931
<b>Total Current Assets</b>		<b>1,32,87,072</b>	<b>1,00,97,171</b>
<b>Total Assets</b>		<b>1,32,87,072</b>	<b>1,00,97,171</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	5	60,00,000	60,00,000
Other equity	6	65,83,506	30,55,326
<b>Total Equity</b>		<b>1,25,83,506</b>	<b>90,55,326</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Provisions	7	1,46,038	1,13,825
Deffered Tax Liabilities	8	(51,708)	(33,366)
<b>Total Non Current Liabilities</b>		<b>94,330</b>	<b>80,459</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	9	-	-
- Trade payables	10	1,83,562	52,854
Provisions	11	1,72,545	1,08,145
Other Current Liabilities		2,53,129	8,00,387
<b>Total Current Liabilities</b>		<b>6,09,236</b>	<b>9,61,386</b>
<b>TOTAL Liabilities</b>		<b>1,32,87,072</b>	<b>1,00,97,171</b>
Significant Accounting Policies	1		
See accompanying notes to the financial statements	1 to 44		

For: J Vageriya & Associates  
Chartered Accountants

*Jitendra Vageriya*  
Jitendra Vageriya  
Partner  
M. No.: 114424  
FRN: 124193W



For and on behalf of Board

*Bankim Shah*  
Director  
Bankim Shah  
DIN: 00572673

*Shailen Shah*  
Director  
Shailen Shah  
DIN: 01569241

Place : Ahmedabad  
Date : 29/06/2020

Place : Ahmedabad  
Date : 29/06/2020

**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
(Formerly known as Monarch Insurance Broking Private Limited)

**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH-2020**  
(Currency: Indian Rupees)

Particulars	Notes	Year Ended on Mar 31,2020	Year Ended on Mar 31,2019
<b>INCOME</b>			
Revenue From Operations	12	1,01,19,170	94,86,306
<b>Total Income</b>		<b>1,01,19,170</b>	<b>94,86,306</b>
<b>EXPENSES</b>			
Employee benefit expense	13	42,62,902	46,25,445
Operating Expenses	14	3,500	99,559
Finance Cost	15	420	2,601
Depreciation & Amortization Expenses			-
Other Expenses	16	10,50,030	9,52,389
<b>Total Expenses</b>		<b>53,16,852</b>	<b>56,79,994</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS, Extraordinary items AND TAX</b>		<b>48,02,318</b>	<b>38,06,312</b>
Less: Extraordinary Items (prior period expenses)		-	-
<b>Profit Before Tax</b>		<b>48,02,318</b>	<b>38,06,312</b>
<b>Tax Expenses</b>			
Current Tax		1265000	8,55,211
Deferred tax		-18342	-50,835
Short & Excess Tax Provision		27480	
Mat Receivable			
<b>Total Tax Expenses</b>		<b>12,74,138</b>	<b>8,04,376</b>
<b>Profit for the Year (After Tax)</b>		<b>35,28,180</b>	<b>30,01,936</b>
<b>Other Comprehensive Income</b>			
A(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans			
Equity Instruments through Other Comprehensive Income			
(ii) Income tax related to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax related to items that will be reclassified to profit or loss			
<b>Total Comprehensive Income for the year</b>		<b>35,28,180</b>	<b>30,01,936</b>
Earnings Per equity share of face value of Rs 10 each			
Basic(in Rs)	18	5.88	5.00
Diluted (in Rs)	18	5.88	5.00
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 44		

For: J Vageriya & Associates

Chartered Accountants

Jitendra Vageriya  
Partner  
M. No.: 114424  
FRN: 124193W



Place : Ahmedabad  
Date : 29/06/2020

For and on behalf of Board

Director  
Bankim Shah  
DIN: 00572673

Director  
Shailen Shah  
DIN: 01569241

Place : Ahmedabad  
Date : 29/06/2020



MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED  
(Formerly known as Monarch Insurance Broking Private Limited)

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH-2020  
(Currency: Indian Rupees)

	For the year ended	
	31 March 2020	31 March 2019
		INRs
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	48,02,318	38,06,312
Profit/(loss) before tax from discontinued operations	-	-
<b>Profit before tax</b>	<b>48,02,318</b>	<b>38,06,312</b>
<b>Adjustments to reconcile profit before tax to net cash used in</b>		
Depreciation and amortisation	-	-
Finance cost(including fair value change in financial instrument)	420	2,601
Interest income	-	-
Dividend Income	-	-
Income Tax Refund	-	-
(Profit) / loss on sale of fixed assets	-	-
(Profit) / loss on sale of Investments	-	-
Bad debts/Sundry Balance written off	43	-
	<b>48,02,781</b>	<b>38,08,913</b>
<b>Working capital adjustments</b>		
Inventories	-	-
Trade receivables	21,59,321	(15,98,787)
Loans & Advances	47,413	1,00,000
Trade payables	1,30,708	52,854
Other financial liabilities	-	-
Other liabilities	(5,74,738)	7,41,780
Provisions	96,613	(4,12,008)
	<b>66,62,098</b>	<b>26,92,752</b>
Income Tax paid	(12,65,000)	(8,55,211)
<b>Net cash flows from operating activities</b>	<b>53,97,098</b>	<b>18,37,541</b>
<b>Cash flow from investing activities</b>		
Payment for purchase and construction of property, plant and equipment (Net of proceeds from sales)	-	-
Fixed deposits held as margin deposits	-	-
Other Fixed Deposits	-	-
Proceeds from sale of Investments	-	-
Interest received	-	-
Dividend Income	-	-
Proceeds /(Repayment) of Other Non Current Financial Assets	-	-
Proceeds /(Repayment) of loans and advances to related	-	-
<b>Net cash flows from investing activities</b>		-
<b>Cash flow from financing activities</b>		
Issues of Share Capital	-	-
Proceeds /(Repayment) of secured borrowings	-	-
Proceeds /(Repayment) of unsecured borrowings	-	-
Finance charges paid	(420)	(2,601)
<b>Net cash flows from financing activities</b>	<b>(420)</b>	<b>(2,601)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>53,96,678</b>	<b>18,34,940</b>
Cash and cash equivalents at the beginning of the year	72,35,105	54,00,165
Effect of exchanges rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>1,26,31,783</b>	<b>72,35,105</b>
<b>Reconciliation of Cash and Cash equivalents with the Balance</b>		
Cash and Bank Balances as per Balance Sheet	1,26,31,783	72,35,105
Add: Unrealised loss / (gain) on foreign currency cash and cash equivalents	-	-
Less : Bank balances not considered as Cash and Cash equivalents as defined in Ind AS-7 - Cash Flow Statements	-	-
<b>Cash and Cash equivalents as restated as at the year</b>	<b>1,26,31,783</b>	<b>72,35,105</b>

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

For: J Vageriya & Associates

Chartered Accountants

Jitendra Vageriya

Partner

M. No.: 114424

FRN: 124193W

Place : Ahmedabad

Date : 29/06/2020



For and on behalf of Board

Director

Bankim Shah

DIN: 00572673

Director

Shailen Shah

DIN: 01569241

Place : Ahmedabad

Date : 29/06/2020

**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
**(Formerly known as Monarch Insurance Broking Private Limited)**  
**Notes to financial statements**  
*(Currency: Indian Rupees)*

Particulars	As at 31 March 2019	As at 31 March 2019
<b>Note: 2</b>		
<b>Trade Receivables</b>		
<b>Trade Receivables from Stock Broking Activities</b>		
-considered good more then six month	-	-
-considered good less then six month	4,37,771	25,97,135
Less : Prov for Doubtful Debts	-	-
<b>Total Trade Receivables</b>	<b>4,37,771</b>	<b>25,97,135</b>

*Note : As per management opinion there is no Expected Credit Loss in Trade Receivables of the Company and all are on fair value.*

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Note: 3</b>		
<b>Cash and cash equivalents</b>		
Cash on Hand	400	400
Balance with Bank	26,31,383	22,34,705
FD with Bank	1,00,00,000	50,00,000
<b>Total</b>	<b>1,26,31,783</b>	<b>72,35,105</b>

**Notes:**

1. Cash and Bank balances as on 31 March 2019 & 31 March 2018 include cheques on hands, which were cleared subsequent to the year end on periodic basis.

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Note: 4</b>		
<b>Loans and Advances</b>		
Loan - others Advances	2,17,518	2,64,931
<b>Total</b>	<b>2,17,518</b>	<b>2,64,931</b>





**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**

(Formerly known as Monarch Insurance Broking Private Limited)

**Notes to financial statements**

(Currency: Indian Rupees)

Particulars	As at 31 March 2020	As at 31 March 2019
Note: 6		
Other Equity		
Reserves & Surplus		
Retained earnings - at the beginning of the year	30,55,326	53,390
Add: Addition during the year	35,28,180	30,01,936
Add: Prior Period Adjustments		
At the end of the year	65,83,506	30,55,326
Total Reserves & Surplus	65,83,506	30,55,326
Total Other Equity	65,83,506	30,55,326



**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
(Formerly known as Monarch Insurance Broking Private Limited)  
Notes to financial statements  
(Currency: Indian Rupees)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Note: 7</b>		
<b>Non Current Provisions</b>		
Provision for Gratuity	1,46,038	1,13,825
<b>Total</b>	<b>1,46,038</b>	<b>1,13,825</b>

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Note: 8</b>		
<b>Deffered Tax Liability</b>		
Provision for DTL	(51,708)	(33,366)
<b>Total</b>	<b>(51,708)</b>	<b>(33,366)</b>

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Note: 9</b>		
<b>Current Borrowings</b>		
Unsecured Borrowings		
Loans from shareholders		
- Related Parties	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Note: 10</b>		
<b>Trade Payable</b>		
Trade Payable	1,83,562	52,854
<b>Total</b>	<b>1,83,562</b>	<b>52,854</b>

**Notes:**

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

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Note: 11</b>		
<b>Current Provisions</b>		
Provision for Expenses		21,885
Provision for Income Tax	1,14,508	85,583
Provision for GST		-
Provision for Gratuity	58,037	677
Provision for Salary	-	-
<b>Total</b>	<b>1,72,545</b>	<b>1,08,145</b>

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Note: 12</b>		
<b>Other Current Liabilities</b>		
Statutory Remittances	2,50,823	7,98,082
Other Current Liabilities	2,306	2,305
<b>Total</b>	<b>2,53,129</b>	<b>8,00,387</b>





**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
(Formerly known as Monarch Insurance Broking Private Limited)  
**Notes to financial statements**  
(Currency: Indian Rupees)

Particulars	Year Ended on 31 March 2020	Year Ended on 31 March 2019
<b>Note: 13</b>		
<b>Income from Operation</b>		
Insurance Broking Income	96,31,608	79,83,939
Commission Income		14,97,367
Other Income	4,87,562	5,000
<b>Total</b>	<b>1,01,19,170</b>	<b>94,86,306</b>

Particulars	Year Ended on 31 March 2020	Year Ended on 31 March 2019
<b>Note: 14</b>		
<b>Employee Benefit Expenses</b>		
Salary & Other Allowances		
Employee Salary	41,73,329	45,67,480
Statutory Contribution	89,573	57,965
<b>Total</b>	<b>42,62,902</b>	<b>46,25,445</b>

Particulars	Year Ended on 31 March 2020	Year Ended on 31 March 2019
<b>Note: 15</b>		
<b>Operating Expenses</b>		
Professional Fees-Marketng Aent	7,40,099	99,559
<b>Total</b>	<b>7,40,099</b>	<b>99,559</b>

Particulars	Year Ended on 31 March 2020	Year Ended on 31 March 2019
<b>Note: 16</b>		
<b>Finance Cost</b>		
Late payment on TDS/GST	420	2,601
<b>Total</b>	<b>420</b>	<b>2,601</b>

Particulars	Year Ended on 31 March 2020	Year Ended on 31 March 2019
<b>Note: 17</b>		
<b>Other Expenses</b>		
<b>Administration expenses</b>		
Legal & Professional Charges	1,04,250	7,345
Fees & Subscription	1,03,865	1,25,000
ROC Expenses	3,500	6,500
Conveyance & Travelling	54,773	68,224
Printing Stationery & Xerox Charges	7,000	-
Business Promotion Expenses	-	7,30,320
Auditors' Remuneration	15,000	15,000
Bad debts/Sundry Balance written off	43	-
Insurance Expenses	25,000	-
<b>Total of Administrative, selling and Distribution</b>	<b>3,13,431</b>	<b>9,52,389</b>



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**MONARCH NETWORTH INVESTMENT ADVISORS PRIVATE LIMITED**  
**(Formerly known as Monarch Insurance Broking Private Limited)**  
**Notes to financial statements**  
*(Currency: Indian Rupees)*

<b>Note: 18</b>		
<b>Earnings per share (EPS)</b>		
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.		
<b>i. Profit attributable to Equity holders</b>		
	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Profit attributable to equity holders :		
Continuing operations	35,28,180	30,01,936
Discontinued operations		
<b>Profit attributable to equity holders for basic earnings</b>	<b>35,28,180</b>	<b>30,01,936</b>
<b>Adjustments:</b>		
Interest on Convertible preference shares	-	-
Others	-	-
<b>Profit attributable to equity holders adjusted for the effect of dilution</b>	<b>35,28,180</b>	<b>30,01,936</b>
<b>ii. Weighted average number of ordinary shares</b>		
	<b>31-Mar-20</b>	<b>31-Mar-19</b>
	<b>INR</b>	<b>INR</b>
Issued ordinary shares at April 1	6,00,000	6,00,000
Effect of shares issued as Bonus shares		
Effect of shares bought back during the year		
<b>Weighted average number of shares at March 31 for EPS</b>	<b>6,00,000</b>	<b>6,00,000</b>
<b>Effect of dilution:</b>		
Share options	-	-
Convertible preference shares	-	-
	<b>6,00,000</b>	<b>6,00,000</b>
<b>Basic and Diluted earnings per share</b>		
	<b>31-Mar-20</b>	<b>31-Mar-19</b>
	<b>INR</b>	<b>INR</b>
<b>Basic earnings per share</b>	<b>5.88</b>	<b>5.00</b>
<b>Diluted earnings per share</b>	<b>5.88</b>	<b>5.00</b>





MONARCH NETWORTH INVESTMENT ADVISORS PRIVATE LIMITED  
(Formerly known as Monarch Insurance Broking Private Limited)  
Notes to financial statements  
(Currency: Indian Rupees)

Note: 19

Tax expense

(a) Amounts recognised in profit and loss

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Current income tax	12,65,000	8,55,211
Changes in tax estimates of prior years	(18,342)	(50,835)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(18,342)	(50,835)
Change in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Change in recognised deductible temporary differences	-	-
Deferred tax expense	(18,342)	(50,835)
Tax expense for the year	12,28,316	7,53,541

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2020			For the year ended 31 March 2019	
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit
Items that will not be reclassified to profit or loss					
Changes in revaluation surplus	-	-	-	-	-
Remeasurements of the defined benefit plans	-	-	-	-	-
Equity Instruments through Other Comprehensive Income	-	-	-	-	-
Items that will be reclassified to profit or loss	-	-	-	-	-
	-	-	-	-	-

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

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Profit before tax	48,02,318	38,06,312
Statutory income tax rate	26.000%	26.000%
Tax using the Company's domestic tax rate	12,48,603	9,89,641
Tax effect of:		
Non-deductible tax expenses	-	-
Tax-exempt income	-	-
Others	16,397	-1,34,430
	12,65,000	8,55,211



**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**

(Formerly known as Monarch Insurance Broking Private Limited)

**Notes to financial statements**

(Currency: Indian Rupees)

<b>(d) Movement in deferred tax balances</b>					
				<b>31-Mar-20</b>	
	<b>Net balance April 1, 2018</b>	<b>Recognised in profit or loss</b>	<b>Recognised in OCI</b>	<b>Net</b>	<b>Deferred tax asset/(Deferred tax liability)</b>
<b>Deferred tax asset/(Liabilities)</b>					
Property, plant and equipment	-	-	-	-	-
Compensated absences and gratuity	33,365	18,343	-	51,708	51,708
Investments in unquoted equity shares	-	-	-	-	-
MAT Credit entitlement	-	-	-	-	-
<b>Tax assets (Liabilities)</b>	<b>33,365</b>	<b>18,343</b>	<b>-</b>	<b>51,708</b>	<b>51,708</b>
Set off tax					
<b>Net tax assets</b>	<b>33,365</b>	<b>18,343</b>	<b>-</b>	<b>51,708</b>	<b>51,708</b>
<b>(e) Movement in deferred tax balances</b>					
				<b>31-Mar-19</b>	
	<b>Net balance 1 April 2017</b>	<b>Recognised in profit or loss</b>	<b>Recognised in OCI</b>	<b>Net</b>	<b>Deferred tax asset/(Deferred tax liability)</b>
<b>Deferred tax asset/(liabilities)</b>					
Property, plant and equipment	-	-	-	-	-
Compensated absences and gratuity	-17,470	50,835	-	33,365	33,365
Investments in unquoted equity shares	-	-	-	-	-
MAT Credit entitlement	-	-	-	-	-
<b>Tax assets (Liabilities)</b>	<b>-17,470</b>	<b>50,835</b>	<b>-</b>	<b>33,365</b>	<b>33,365</b>
Set off tax					
<b>Net tax assets</b>	<b>-17,470</b>	<b>50,835</b>	<b>-</b>	<b>33,365</b>	<b>33,365</b>

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.





**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
(Formerly known as Monarch Insurance Broking Private Limited)

**Notes to financial statements**

(Currency: Indian Rupees)

**Note: 20**

**Employee benefit expense**

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

**(i) Defined Contribution Plans:**

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

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

	Year ended 31-Mar-20	Year ended 31-Mar-19
Contribution to Provident Fund	-	-
Contribution to ESIC	-	-
	-	-

**(ii) Defined Benefit Plan:**

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

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

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

ii) On death in service:

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

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

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

	31-Mar-20	31-Mar-19
Net defined benefit asset	-	-
<b>Total employee benefit asset</b>	-	-
Net defined benefit liability		
Liability for Gratuity	2,04,075	1,14,232
<b>Total employee benefit liabilities</b>	<b>2,04,075</b>	<b>1,14,232</b>
Non-current	1,46,038	1,13,825
Current	58,037	407



## 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)
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20
Opening balance	-	-	-	-	-
Included in profit or loss					
Current service cost	-	-	-	-	-
Past service cost	-	-	-	-	-
Interest cost (income)	-	-	-	-	-
	-	-	-	-	-
Included in OCI					
Remeasurement loss (gain):					
Actuarial loss (gain) arising from:					
Demographic assumptions	-	-	-	-	-
Financial assumptions	-	-	-	-	-
Experience adjustment	-	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-	-
	-	-	-	-	-
Other					
Contributions paid by the employer	-	-	-	-	-
Benefits paid	-	-	-	-	-
Closing balance	-	-	-	-	-

### Represented by:

Net defined benefit asset	-
Net defined benefit liability	2,04,075
	2,04,075

### 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
March 31, 2018					
March 31, 2017					





**C. Plan assets**

Plan assets comprise the following:

Policy of insurance  
Bank Balance

31-Mar-20
0%
0%
0%

**D. Defined benefit obligations****i. Actuarial assumptions**

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

	31-Mar-20	31-Mar-19
Discount rate	5.45%	6.75%
Salary escalation rate	5.10%	5.10%
Withdrawal Rates	30% at all ages	30% at all ages
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality

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

	31-Mar-20		31-Mar-19
	Increase	Decrease	Increase
Rate of discounting (0.50% movement)	-	-	-
Rate of salary increase (0.50% movement)	-	-	-
Rate of employee turnover (10% movement)	-	-	-

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.



**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED****(Formerly known as Monarch Insurance Broking Private Limited)****Notes to financial statements***(Currency: Indian Rupees)***Note: 21****Leases- Operating leases****Leases as lessee**

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

	Year ended 31-Mar-20	Year ended 31-Mar-19
Lease Rental Payments	-	-
	-	-

**b) Future minimum lease payments**

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

	31-Mar-20 INR	31-Mar-19 INR
Less than one year	-	-
Between one and five years	-	-
	-	-





**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**

(Formerly known as Monarch Insurance Broking Private Limited)

Notes to financial statements

(Currency: Indian Rupees)

**Note: 22**

**Fair value disclosures**

**1. Financial instruments – Fair values and risk management**

**A. Accounting classification and fair values**

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

31-Mar-20	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Non-current investments	-	-	-	-	-	-	-	-
Non-current loans	-	-	-	-	-	-	-	-
Trade receivables	-	-	4,37,771	4,37,771	-	-	-	-
Cash and cash equivalents	-	-	1,26,31,783	1,26,31,783	-	-	-	-
Current Loans and advances	-	-	2,17,518	2,17,518	-	-	-	-
	-	-	1,32,87,072	1,32,87,072	-	-	-	-
<b>Financial liabilities</b>								
Non-current borrowings	-	-	-	-	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	1,83,562	1,83,562	-	-	-	-
Other Non-Current financial liabilities	-	-	-	-	-	-	-	-
	-	-	1,83,562	1,83,562	-	-	-	-



[illegible]



**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.



**MONARCH NETWORTH INVESTMENT ADVISORS PRIVATE LIMITED**  
(Formerly known as Monarch Insurance Broking Private Limited)  
**Notes to financial statements**  
(Currency: Indian Rupees)

**Financial instruments – Fair values and risk management (continued)**

**ii. Credit risk**

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

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

**Trade and other receivables**

Total Trade receivables as on 31 March 2020 are as follows:

<b>31 March 2020</b>	<b>4,37,771</b>
<b>31 March 2019</b>	<b>25,97,135</b>

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 Risk Management Committee 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 Risk Management Committee.

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





## Notes to financial statements

(Currency: Indian Rupees)

At 31 March 2019, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	Carrying amount (in INR)	
	31 March 2020	31 March 2019
India	4,37,771	25,97,135
	<b>4,37,771</b>	<b>25,97,135</b>

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

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

	31 March 2020	31 March 2019
<b>Opening balance</b>	-	-
Provision for receivables impairment	-	-
Receivables written off during the year as uncollectible	-	-
Provision released during the year	-	-
<b>Closing balance</b>	-	-

## 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.



**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
**(Formerly known as Monarch Insurance Broking Private Limited)**  
**Notes to financial statements**  
*(Currency: Indian Rupees)*

**Financial instruments – Fair values and risk management (continued)**

**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.

Contractual cash flows					
31-Mar-20	Carrying amount	Total	12 months or less	1-5 years	More than 5 years
<b>INR</b>					
<b>Non-derivative financial liabilities</b>					
Non-current borrowings	-	-	-	-	-
Current borrowings	-	-	-	-	-
Trade payables	1,83,562	1,83,562	1,83,562	-	-
Other financial liabilities	-	-	-	-	-
<b>Derivative financial liabilities</b>					
Forward exchange contracts	-	-	-	-	-

Contractual cash flows					
31-Mar-19	Carrying amount	Total	12 months or less	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Non-current borrowings	-	-	-	-	-
Current borrowings	-	-	-	-	-
Trade payables	52,854	52,854	52,854	-	-
Other financial liabilities	-	-	-	-	-
<b>Derivative financial liabilities</b>					
Forward exchange contracts	-	-	-	-	-





**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
**(Formerly known as Monarch Insurance Broking Private Limited)**  
**Notes to financial statements**  
**(Currency: Indian Rupees)**

**Financial instruments – Fair values and risk management (continued)**

**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.



**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
(Formerly known as Monarch Insurance Broking Private Limited)

**Notes to financial statements**

(Currency: Indian Rupees)

**Financial instruments – Fair values and risk management (continued)**

**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	
	31-Mar-20	31-Mar-19
<b>Fixed-rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
<b>Total</b>	-	-

**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.





**MONARCH NETWORTH INVESTMENT ADVISORS PRIVATE LIMITED**  
(Formerly known as Monarch Insurance Broking Private Limited)

**Notes to financial statements**

(Currency: Indian Rupees)

**Note 23**

**Capital Management**

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

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

The Company's adjusted net debt to equity ratio at 31 March 2018 was as follows.

	INR	
	As at 31 March 2020	As at 31 March 2019
Total Borrowings		-
Less : Cash and cash equivalent	1,26,31,783	72,35,105
<b>Adjusted net debt</b>	<b>(1,26,31,783)</b>	<b>(72,35,105)</b>
Total equity	1,25,83,506	90,55,326
Less : Hedging reserve		-
<b>Adjusted equity</b>	<b>1,25,83,506</b>	<b>90,55,326</b>
Adjusted net debt to adjusted equity ratio	-1.00	-0.80

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.



**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
**(Formerly known as Monarch Insurance Broking Private Limited)**

**Notes to financial statements**

*(Currency: Indian Rupees)*

**Note 24**

**Related party relationships, transactions and balances**

**A Nature of relationship**

**I Holding Company**

**a Monarch Network Capital Limited**





**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
(Formerly known as Monarch Insurance Broking Private Limited)

**Notes to financial statements**

(Currency: Indian Rupees)

**Note 26**

**Related Party Disclosures: (Continued)**

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

Nature of Transactions	Holding Companies		Enterprises over which Directors and their relatives exercise significant influence		Key Management Personnel and their relatives		Total	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<b>Payables</b>								
Monarch Network Capital Limited	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

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.



**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
**(Formerly known as Monarch Insurance Broking Private Limited)**  
**Notes to financial statements**  
*(Currency: Indian Rupees)*

**Note 27**

**Contingent liabilities (to the extent not provided for)**

	Rs in Lacs	
	31-Mar-20	31-Mar-19
<b>Contingent liabilities</b>		
Income Tax matters pending with various authorities	-	-
Service Tax matters pending with various authorities	-	-
(Merged Entity -Monarch Project & Finmarkets Limited )		
Inter Corporate Guarantee	-	-
(Merged Entity -Monarch Project & Finmarkets Limited )		
Corporate guarantees issued in favour of Banks for loans taken by subsidiary companies-Monarch Neworth Comtrade Limited	-	-
Corporate guarantees issued in favour of Banks for loans taken by subsidiary companies-Monarch Network Finserve Private Ltd	-	-

**Notes**

(ii) The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2018

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

**Note 28**

**Commitments**

	Rs in Lacs	
	31-Mar-20	31-Mar-19
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

**Note 29**

**Dues to micro, small and medium enterprises**

	31-Mar-20	31-Mar-19
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	Nil	Nil
Interest	Nil	Nil
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-





**Note 30****Disclosure on specified bank notes (SBN)**

During the previous year, the company deposited specified bank notes (SBN) with the bank between November 8, 2016 to December 30, 2016. The amount so deposited consisted of currency note denominations of INR 1000 and INR 500 as defined in the MCA notification G.S.R 308 (E) dated MARCH 30, 2017 on the details of the SBN held and transacted during the period from November 8, 2016 to December 30, 2016.:

**Particulars****Closing cash in hand as on November 8, 2016**

(+) Permitted receipts

(-) Permitted payments

(-) Amount deposited in banks

**Closing cash in hand as on December 30, 2016**

	SBNs	Other denominations
	-	-
	-	-
	-	-
	-	-

**Note 31****Earnings and expenditure in Foreign Currency during the year:**

Earnings in Foreign Currency

Expenditure in Foreign Currency

31-Mar-20

Nil

Nil

31-Mar-19

Nil

Nil

**Note 32**

Dividends proposed to be distributed for the equity shareholders for the year ended 2017-18 is Nil.

**Note 33****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 34**

Forward exchange contracts outstanding on the balance sheet date which is entered to hedge foreign exchange exposures of the Company.

31-Mar-20

Nil

31-Mar-19

Nil

**Note 35**

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 36**

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



**Note 37**

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 38****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 39****Directors Remuneration**

	31-Mar-20	31-Mar-19
Director Remuneration	-	-

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

**Note 40****Auditors Remuneration**

	31-Mar-20	31-Mar-19
Towards Statutory & Tax Audit (Exclusive of Service Tax/GST)	15,000	15,000
	15,000	15,000

**Note 41**

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.





**MONARCH NETWORK INVESTMENT ADVISORS PRIVATE LIMITED**  
(Formerly known as Monarch Insurance Broking Private Limited)

**Notes to financial statements**

(Currency: Indian Rupees)

**Note 42**

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

(Figures in `)

Particulars	Relationship		Amount outstanding as at March 31, 2020	Maximum balance outstanding during the year
Monarch Network Capital Limited	Holding	CY	-	-
		PY	-	-

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



**MONARCH NETWORTH INVESTMENT ADVISORS PRIVATE LIMITED**  
(Formerly known as Monarch Insurance Broking Private Limited)  
(Currency: Indian Rupees)

**Note: 44**

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

As per our report of even date attached.

**Jitendra Vageriya**

**Partner**

M. No.: 114424

FRN: 124193W



Place : Ahmedabad

Date : 29/06/2020

**For and on behalf of the Board of Directors of  
Monarch Network Investment Advisory Private Limited**

CIN: U74140GJ2007PTC052348



**Director**

**Bankim Shah**

DIN: 00572673

Place : Ahmedabad

Date : 29/06/2020



**Director**

**Shailen Shah**

DIN: 01569241



**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

**A. Company Information**

Monarch Network Investment Advisors Private Limited (MNIAPL) was originally formed under the name of "Monarch Insurance Broking Is Services Private Limited" on 14<sup>th</sup> December, 2007. MNIPAL is predominantly engaged in business of Investment Advisors and provide to its registered Clients services relating to financial planning, Investing In, Purchasing, Selling or otherwise dealing in securities or investment product, and advice on investment portfolio containing securities or investment product and developing and recommending financial Strategies. Also to act as broker, agent in all branches of Life Insurance, General Insurance & Health Insurance including whole life insurance, endowment insurance, group Insurance, fire Insurance, riot insurance, earth quake and natural calamity insurance, crop insurance, animal life Insurance, loss of profit insurance, human body part, limbs and organs insurance, theft Insurance, transit Insurance, annuity Plans, gratuity plans, fixed Income plans, accidental Insurance and such other Insurance and to sell or market insurance product through franchise, agent, brokers, direct sales agent.

**Significant accounting policies**

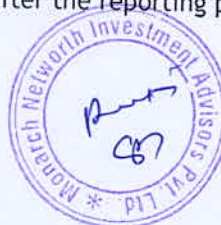
**B. Basis of preparation**

- a) The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended 31 March 2020 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) ('Previous GAAP') and other relevant provisions of the Act.
- b) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value :
1. Financial instruments measured at fair value through profit or loss.
  2. Financial instruments measured at fair value through other comprehensive income.
  3. Defined benefit plans - plan assets measured at fair value.
- c) **Functional and presentation currency:**  
These financial statements are presented in INR, which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs.
- d) **Current and non-current classification**  
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
1. Expected to be realised or intended to be sold or consumed in normal operating cycle;
  2. Held primarily for the purpose of trading;
  3. Expected to be realised within twelve months after the reporting period, or
  4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

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

**e) Revenue recognition**

**Service Income**

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

**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.

**f) Property, plant and equipment**

All 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.





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

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.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**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, except for leasehold improvements, which are amortized over the lease period. 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. The useful lives so determined are as follows:

Assets	Estimated useful life (in years)
Leasehold land	Lease period
Leasehold improvement	Lease period
Factory building	10
Other than factory building	20
Plant and equipment	1-8
Furniture & fixtures	5-6
Office equipment	7-8
Computers	2.5
Vehicles	3-4

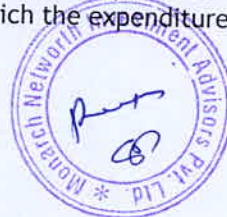
Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. Cost of leasehold land is amortized equally over the period of lease.

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.

**g) Intangible Assets**

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

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





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

***Transition to Ind AS***

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the intangible assets.

**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 useful life so determined are as follows:

Assets	Amortisation period
Software	3 years

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

**h) Impairment of non-financial assets**

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

Recoverable amount is determined:

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

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

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





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

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

**i) Leases**

**Company as a lessee**

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

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

**Company as a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

**j) Borrowing costs**

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

**k) Financial instruments**

**A. Financial assets**

**Initial recognition and measurement**

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

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





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

**Subsequent measurement**

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

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

**Financial asset at amortised cost**

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

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

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

**Financial asset at FVTOCI**

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

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

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

**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





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

Instruments, company has taken an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

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

**De-recognition**

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

1. The rights to receive cash flows from the asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - a) The Company has transferred substantially all the risks and rewards of the asset, or
  - b) The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

**Impairment of financial assets**

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

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

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

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

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

1. Trade receivables or contract revenue receivables; and
2. All lease receivables resulting from transactions within the scope of Ind AS 17





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

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

The Company follows the simplified approach permitted by IndAS 109 - Financial Instruments- for recognition of impairment loss allowance. The application of 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.

**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





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

**Loans and borrowings**

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

**Financial guarantee contracts**

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

**Derecognition**

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

**C. Off-setting of financial instruments**

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





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

**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.

**l) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. All the grants related to an expense item are recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

**m) 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.





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

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 reassessed 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 recognised, 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.

**n) Inventories**

Inventories are valued at the lower of cost and net realisable value.

- a) Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade / property held for development and sale, stores and spares, loose tools and are carried at the lower of cost and net realisable value.
- b) Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- c) In determining the cost, first in first out cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.
- d) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
- e) The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.
- f) The comparison of cost and net realisable value is made on an item-by-item basis.
- g) **Stores and spares:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. An item of spare parts that does not meet the definition of 'property, plant and equipment' has to be recognised as a part of inventories.





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

**o) Employee benefits**

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

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

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

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

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

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

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

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

**Long-term employee benefits**

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

**p) 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.

**q) 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.





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

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".

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

**General**

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

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

Contingent liability is disclosed in the case of:

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

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

**s) Earnings per share**

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

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

**t) Use of estimates and judgments**

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note XX - Current tax expense

Note XX - Measurement of defined benefit obligations

Note XX - Provisions and contingencies

Note XX - Expected credit loss for receivables

**u) Statement of cash flows**

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

**v) Foreign currency translation**

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

1. Exchange differences arising on monetary items that forms part of a company's net investment in a foreign operation are recognised in profit or loss in the financial statements of the Company.
2. Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
3. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.





**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**w) Fair value measurement**

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

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

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

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

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

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

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

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

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

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



**Monarch Network Investment Advisors Private Limited**  
**Notes to financial statements for the year ended 31 March 20**

**Note 1**

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.

1. Disclosures for valuation methods, significant estimates and assumptions (note 43).
2. Quantitative disclosures of fair value measurement hierarchy (note 43B).
3. Investment in unquoted equity shares (discontinued operations) (note 43B).
4. Financial instruments (including those carried at amortised cost) (note 43A).

