

**ANANDRATHI**

**ANNUAL REPORT  
2020-2021**

**Anand Rathi Wealth Limited**  
**(Formerly "Anand Rathi Wealth Services Limited")**  
(CIN No- U67120MH1995PLC086696)

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## Corporate Information

### Board of Directors



Anand Rathi  
Chairman & Non  
Executive Director



Amit Rathi  
Managing Director



Pradeep Kumar Gupta  
Non-Executive  
Director



Rakesh Rawal  
Executive Director &  
CEO



Mohan Tanksale  
Independent Director



Ramesh Chandak  
Independent Director



K. G. Somani  
Independent Director



Sudha Navandar  
Independent Director

#### Chief Financial Officer

Rajesh Bhutara

#### Company Secretary & Compliance Officer

Ashish Chauhan

#### Statutory Auditor

M/s. Khimji Kunverji & Co LLP,  
Chartered Accountants

#### Internal Auditor

M/s. Mahesh Chandra and Associates

#### Secretarial Auditor

M/s. Dharmesh Bohra & Associates

#### Bankers

• ICICI Bank • HDFC Bank • Bank of India

#### Corporate Identification Number

U67120MH1995PLC086696

#### Registered office

Express Zone, A Wing, 10<sup>th</sup> Floor,  
Western Express Highway,  
Goregaon (East), Mumbai – 400063,  
Maharashtra (India)

#### Corporate office

11<sup>th</sup> Floor, Times Tower, Kamala City,  
Senapati Bapat Marg, Lower Parel,  
Mumbai – 400013, Maharashtra  
(India).

## BOARD'S REPORT

To  
The Members of  
Anand Rathi Wealth Limited

The Directors of your Company have the pleasure in presenting the *twenty sixth* report together with the audited financial statements for the Financial Year ended March 31, 2021.

### 1. FINANCIAL SUMMARY

The summary of the Company's financial performance, both on a consolidated and standalone for the Financial Year 2020-21 as compared to the previous year FY 2019-20 is as under:

*(Rs. In Lakhs)*

Particulars	Consolidated		Standalone	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Total Revenue	27,924.85	33,642.72	26,225.28	32,805.75
Less: Total Expenditure	21,636.58	24,982.03	19,990.76	23,229.92
Profit / (Loss) before Taxation	6,288.27	8,660.69	6,234.52	9,575.83
Less: Tax Expense				
Current Tax	1,786.34	2,585.53	1,782.79	2,584.13
Deferred Tax	46.98	(64.11)	32.74	(136.10)
Net Profit /(Loss) after Tax	4,454.95	6,139.27	4,418.99	7,127.80

### 2. PERFORMANCE HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

Our standalone revenue from operations and net profit after tax for FY 2020-21 were ₹ 26,225.28 Lakhs and ₹ 4,418.99 Lakhs respectively as compared to ₹ 32,805.75 Lakhs and ₹ 7,127.80 Lakhs respectively for FY 2019-20. Our consolidated revenue from operation and net profit after tax were ₹ 27,924.85 Lakhs and ₹ 4,454.95 Lakhs respectively for FY 2020-21 as compared to ₹ 33,642.72 Lakhs and ₹ 6,139.27 Lakhs respectively for FY 2019-20.

Our revenues were adversely affected due to the sharp volatility and fall in markets due to the pandemic, which lead to lower fee incomes and trading losses. This was offset to some extent by the company by rationalisation of manpower and other costs during the course of the year, which have also created long term efficiency gains. There has been significant rebound in revenues in the last quarter and during first 2 months of the current financial year.

There is significant improvement in the working of subsidiaries during previous year helping improvement in consolidated results.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement in Form **AOC-1** containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is annexed as **Annexure-I** which forms an integral part of this Report.

### Overview of Private Wealth Business:

We are one of the few pure wealth and distribution services company in India catering to the HNI as well as the Ultra HNI segments, offering various innovative financial products and investment solutions through dedicated Relationship Managers and have carved out a special niche for ourselves. We have developed a unique un-complicated and client focussed strategic approach.

We have structured our private wealth business on four main tenets - objective/ goal based approach, data backed recommendations, simplified approach and transparency in implementation.

We believe in an 'uncomplicated' objective-oriented approach towards private wealth business, coupled with highly motivated team of trained Relationship Managers help us in attracting and servicing HNI and Ultra HNI clients.

We also have in-house team of experts that help clients with estate planning and succession planning by creating wills and trusts, besides helping clients with strategic tax advisory related to their investment portfolios. Till March 2021, we have helped clients write about 700 Wills and helped set up over 170 Private Family Trusts for them. This holistic approach to their wealth is highly appreciated by the clients. The events and vulnerabilities of the last Financial Year have increased our conviction on the importance of having a well-designed estate plan.

Given the very strong strategic positioning and significant increase in high net worth individuals/families in the country, our company is well poised to register continuous growth in the years to come.

### Awards:

In recognition to the services rendered in the wealth management space, your Company and the senior management team has bagged following awards during FY 2020-21.

Year	Award	Organiser	Awardee
2020-2021	Great Place to Work	Great Place to Work	Anand Rathi Wealth Limited
2020	Customer Service Excellence Award	World Congress Leadership & Awards Presents Business Leader of the Year	Anand Rathi Wealth Limited
2020	CEO of the Year	World Congress Leadership & Awards Presents Business Leader of the Year	Rakesh Rawal
2020	The Innovative Leader Award	World Congress Leadership & Awards Presents Business Leader of the Year	Feroze Azeez
2020	Best Regional Head in Private Wealth	World Congress Leadership & Awards Presents Business Leader of the Year	Arjun Guha Thakurta
2020	Women Achiever of the Year	World Congress Leadership & Awards Presents Business Leader of the Year	Swetha Manot
2020	Most Innovative Regional Head	World Congress Leadership & Awards Presents Business Leader of the Year	Bharath Rathore
2020	Private Banker of the year	World Congress Leadership & Awards Presents Business Leader of the Year	Subhendu Harichandan
2020	Fastest Emerging Regional Leader	World Congress Leadership & Awards Presents Business Leader of the Year	Swapan Chakraborty
2020	Best Strategist in Product Innovation	World Congress Leadership & Awards Presents Business Leader of the Year	Chethan Shenoy

2020	Best Product Innovation - Structured Products	World Congress Leadership & Awards Presents Business Leader of the Year	Saumil Pabari
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### **COVID-19 Pandemic: Responding to an unprecedented challenge**

The COVID-19 pandemic significantly disrupted the Indian economy. In order to contain the spread of the COVID-19 pandemic, the Government of India (GOI) along with state governments declared a lockdown of the country, including severe travel and transport restrictions and a directive to all citizens to shelter in place, unless essential. The COVID-19 pandemic and associated responses have adversely affected, among other things, workforces, consumer sentiment, liquidity, economies, trade and financial markets around the world, including in India. The lockdown required private, commercial and industrial establishments to remain closed for long period of time.

The recent second wave in Covid-19 cases has caused lockdown and curfew in many states resulting in a dip in consumer confidence and reignited uncertainty regarding the near-term outlook and are derailing economic momentum.

The global economy is recording a major growth turn around in recent months. Across countries, there has been acceleration in growth of GDP, industrial production, and retail sales. The forward-looking indicator such as purchasing manager index for manufacturing and services are also suggesting improving growth outlook for most economies. The low base effect of the last year due to the pandemic induced lockdown and progressive lifting of lockdown restrictions as the rate of infection falls and rate of vaccination rises are resulting in normalization of growth. Government has indicated that vaccine will be given to every adult citizen (above 18 years) which may help to reduce the transmission of Covid-19 by December 2021.

Favourable demographic profile with a young working population, rise in income levels, increasing financial literacy, retail participation and buoyancy in capital markets are expected to drive the growth of the growth of wealth management industry in India.

Your Company have adopted several measures to fight against COVID-19 to ensure business continuity across its offices and branches. Some of the measures taken by the Company are as follows: –

- ✓ Implementation of various Operational Plans for Business Continuity and Associate Safety measures across all office locations
- ✓ 'Work from Home' facility for employees without compromising any commitments
- ✓ IT infrastructure support was rolled out overnight to help our employees shift to this new work paradigm
- ✓ Necessary Food & Stay Arrangements at Office for essential staff i.e. employees working from Office Premises
- ✓ Conducting temperature and oxygen level checks of all employees and visitors at entry of all offices
- ✓ Regular communication with employees via E mail and Virtual Meetings
- ✓ Social distancing and other related norms such as provision of hand sanitizers and masks to the employees and compulsory wearing of masks at all times at the work place were implemented
- ✓ Creation of Company Task Force for Covid-19 and creation of Covid care repository for all our employees and their family members,
- ✓ Sharing of Database of all the Doctors, Hospitals, Blood Bank, Ambulance Providers, Tiffin Vendors, Plasma Donors list etc.

- ✓ The Covid Vaccine jab was organized for the colleagues & their family members above 45 age at the hospital in Mumbai.
- ✓ Conducting of free of cost RTPCR test for our Colleagues in Mumbai.
- ✓ Availment of new Mediclaim policy for the employees which provides financial support during the Home Quarantines phase and increase in insurance cover.
- ✓ Creation of WhatsApp group of senior colleagues from all locations and businesses to support any employee with information required on availability of medicines and Hospitals.
- ✓ Procurement of Oxygen Concentrator, Pulse meter & medicines for all the ARG offices.
- ✓ Providing of MediBuddy support for the Home Quarantined colleagues.

We are glad that all the employees, who tested positive, have recovered and very few are in the process of recovery.

With the strong team of passionate people full of positive energy, enterprising attitude and strong balance sheet, we are confident of overcoming the challenges posed by COVID-19 and emerging stronger to continue on our journey of sustained excellence.

### **3. CHANGE OF NAME OF THE COMPANY AND SUBSIDIARY COMPANY**

During the period under review, the name of your Company was changed from Anand Rathi Wealth Services Limited to Anand Rathi Wealth Limited, effective from 7<sup>th</sup> January 2021.

The aforesaid change was necessitated mainly to comply with the amendment brought in Regulation 3(3) of the SEBI (Investment Advisers) Regulations, 2013, according to which, no person, while dealing in distribution of securities, shall use the nomenclature "Independent Financial Adviser or IFA or Wealth Adviser or any other similar name" unless registered with SEBI as an Investment Adviser.

Going by above amendments, AMFI had issued a list of 52 prohibited names, which included "Wealth Services" or "Wealth Management" being used by the Company and its subsidiary i.e. "AR Wealth Management Private Limited".

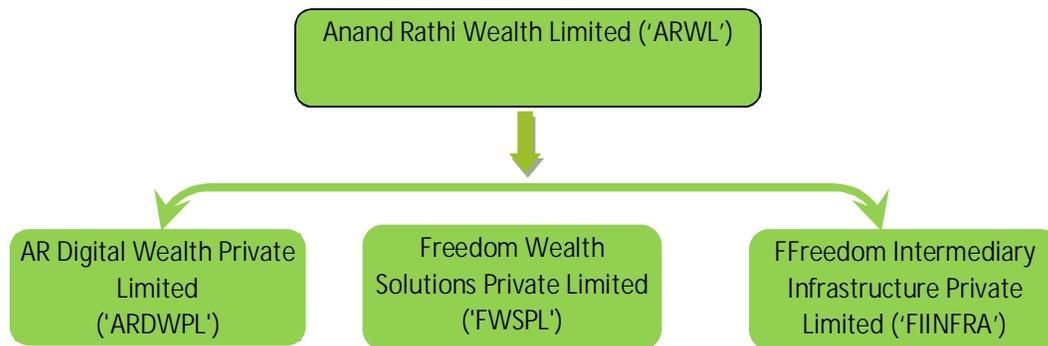
Similarly, the name of subsidiary Company i.e. "AR Wealth Management Private Limited" was also changed to "AR Digital Wealth Private Limited" effective 7<sup>th</sup> January 2021.

### **4. ANNUAL RETURN**

Copy of annual return of the Company for the FY 2020-21 (MGT-7) is available on <https://rathi.com/Wealth/Investorrelations.php>

### **5. HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY**

The Company has three subsidiaries within the meaning of Section 2 (87) of the Companies Act, 2013 as shown below. The Company does not have any associate or joint venture companies within the meaning of section 2 (6) of the Companies Act, 2013.



**a) AR Digital Wealth Private Limited:**

The Company ARDWPL – AR Digital Wealth Pvt Ltd aims to offer a packaged Investment solution for clients in the Mass affluent segment that are seeking to grow their Wealth. It seeks to build a Scalable and Profitable model by using a blend of Technology capabilities and Human interface. The Business has seen encouraging results in its attempt to build a Partner led distribution model through whom this packaged Investment solution is delivered. These Partners are AMFI registered Mutual Fund Distributors who are seeking to grow their business by taking the Anand Rathi brand, Product research, Selection and Investment Insights to their clients through an innovative easy-to-use Technology interface.

The operating revenue of ARDWPL for FY 2021 stood at Rs. 515.91 Lakhs as compared to previous year operating revenue of Rs. 463.16 Lakhs.

**b) Freedom Intermediary Infrastructure Private Limited:**

FIINFRA has built a digital Platform-as-a-Service (PAAS) model, “Omni Financial Advisor (OFA)”, for assisting independent financial advisors (IFAs) in their advisory business. It is now being used by more than 5,000 IFAs across the country. This web and mobile platform based solution allows independent financial advisors in execution, tracking and reporting of the investment made by their clients without any human involvement.

The operating revenue of FIINFRA for FY 2021 stood at Rs. 496.42 Lakhs as compared to previous year operating revenue of Rs. 455.37 Lakhs.

**c) Freedom Wealth Solutions Private Limited:**

SEBI has amended the SEBI (Investment Advisers) Regulations, 2013 via circular dated September 23, 2020, which inter alia provides that a non-individual investment adviser shall have client level segregation at group level for investment advisory and distribution services and the same client cannot be offered both advisory and distribution services within the group of the non-individual entity. Such changes have come into force on September 30, 2020 and from even date we have discontinued our operations under the SEBI (Investment Advisers) Regulations, 2013 though we continue hold Investment Advisory license.

The operating revenue of FWSPL for FY 2021 stood at Rs. 149.06 Lakhs as compared to previous year operating revenue of Rs. 128.85 Lakhs.

## 6. DIVIDEND

During the year, the Company had declared and paid an interim dividend of Rs. 2.50/- per equity share (50% of face value). The Board has also recommended a final dividend of Rs. 2.50/- per Equity Share (50% of face value) of Rs. 5/- each for the financial year ended March 31, 2021, for the approval of the Shareholders at the ensuing Annual General meeting. The Final dividend, if declared, will be paid after the Annual General Meeting.

## 7. TRANSFER TO RESERVES

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

## 8. SHARE CAPITAL

The paid up share capital of the Company increased from Rs. 1,351.37 Lakhs to Rs. 1,375.68 Lakhs on account of allotment of 2,26,020 equity shares of Rs. 5 each to the eligible employees under ESOP-2017 and 2018 schemes and allotment of 2,60,100 equity shares of Rs. 5 each at a premium of Rs. 406 to Mr. Feroze Azeez under Preferential Allotment basis.

Particulars of Employees Stock Options ("ESOPs") as required to be disclosed under Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is annexed as **Annexure- II**, which forms an integral part of this Report.

## 9. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of the Business of the Company during the year under review.

## 10. PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from the public within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

## 11. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Except as disclosed in the financial statements of the Company, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this report relates and the date of this report.

## 12. BOARD, COMMITTEES, KEY MANAGERIAL PERSONNEL AND MEETINGS:

### ***Board of Directors***

The Board of the Company comprises of 8 Directors as under:

Sl. No.	Name	Designation
1.	Mr. Anand Rathi	Chairman & Non-Executive Director
2.	Mr. Pradeep Gupta	Non-Executive Director
3.	Mr. Amit Rathi	Managing Director
4.	Mr. Rakesh Rawal	Executive Director & CEO
5.	Mr. Mohan Tanksale	Independent Director
6.	Mr. Ramesh Chandak	Independent Director
7.	Mr. K. G. Somani	Independent Director
8.	Mrs. Sudha Navandar	Independent Director

### **Board Committees**

In accordance with applicable provisions of Companies Act, 2013, the Board has constituted following committees:

Sl. No.	Name of Committee	Member
1.	Audit Committee	Mr. Mohan Tanksale (Chairman) Mrs. Sudha Navandar Mr. Amit Rathi
2.	Corporate Social Responsibility Committee	Mr. Anand Rathi (Chairman) Mr. Pradeep Gupta Mrs. Sudha Navandar
3.	Nomination and Remuneration Committee	Mr. Kishan Gopal Somani (Chairman) Mr. Ramesh Chandak Mr. Anand Rathi
4.	Stakeholders Relationship Committee	Mr. Ramesh Chandak (Chairman) Mr. Pradeep Gupta Mr. Amit Rathi

The Composition including the role, terms of reference and the power of aforesaid committees are in conformity with the requirement of companies Act, 2013.

Further, to manage day to day administrative and routine matters of the Company, the Board has also constituted various Management level Committees comprising of senior level executives of the Company/group.

### **Key Managerial Personnel (KMP)**

Pursuant to Companies Act, 2013, your Company has appointed/designated following employees/officers as Whole Time Key Managerial Personnel:

Sl. No.	Name	Designation	Appointed Since
1	Mr. Amit Rathi	Managing Director	01/04/2017*
2	Mr. Rakesh Rawal	Executive Director & Chief Executive Officer	01/04/2017*
3	Mr. Rajesh Bhutara	Chief Financial Officer	10/07/2018
4	Mr. Ashish Chauhan	Company Secretary	02/12/2019

\*Re-appointed for another term of 3 years w.e.f 1<sup>st</sup> April, 2020

### Appointment/Re-appointment and cessation of Directors and Key Managerial Personnel

- a) During the year under review, Mr. Rakesh Rawal, was appointed as Executive Director of the Company designated as "Executive Director and CEO" for a period of 3 years w.e.f. 1<sup>st</sup> April 2020.
- b) During the same period, four Independent Directors of the Company, whose tenure were due to end in February and March 2021, were also re-appointed for a second term of 5 consecutive years, as detailed below:-

Sr. No	Independent Director	From	Till
1	Mr. Mohan Vasant Tanksale	5 <sup>th</sup> February 2021	5 <sup>th</sup> February 2026
2	Mr. Ramesh Chandak	14 <sup>th</sup> March 2021	14 <sup>th</sup> March 2026
3	Mr. Kishan Gopal Somani	14 <sup>th</sup> March 2021	14 <sup>th</sup> March 2026
4	Mrs. Sudha Navandar	14 <sup>th</sup> March 2021	14 <sup>th</sup> March 2026

- c) There was no change in the Board of Directors, CEO, CFO and CS of the Company, during the year under review and till the date of this Report.

#### Directors retiring by rotation:

In terms of Section 152 of the Companies Act, 2013, Mr. Pradeep Gupta (DIN: 00040117), non-executive director, would retire by rotation at the forthcoming AGM. Being eligible, he has offered himself for the re-appointment. Board recommends his re-appointment for the consideration of the members.

#### Details regarding Board/ Committee Meetings

During the year under review, the Board, Committees of Board and Independent Directors met on multiple occasions to discuss, decide and gave directions on various issues concerning Company's business and the matters incidental thereto.

Details of the meetings held during the year is as under:

S. No.	Body	Numbers of times met during the year	Dates
1	Board	4	5 <sup>th</sup> August, 2020, 20 <sup>th</sup> October 2020, 29 <sup>th</sup> December 2020 and 24 <sup>th</sup> March 2021
2	Audit Committee	3	5 <sup>th</sup> August, 2020, 29 <sup>th</sup> December 2020 and 24 <sup>th</sup> March 2021
3	CSR Committee	2	5 <sup>th</sup> August, 2020, and 24 <sup>th</sup> March 2021
4	Nomination and Remuneration Committee	2	5 <sup>th</sup> August, 2020, and 24 <sup>th</sup> March 2021

5	Stakeholders Relationship Committee	1	24 <sup>th</sup> March 2021
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*Note: The numbers and frequency of aforesaid meetings are in compliance with applicable provisions of Companies Act, 2013.*

The number of Board and Committee meetings attended by each Director during the year is as under:

Directors	Numbers of Meeting Attended by the Directors				
	Board	Audit Committee	CSR Committee	NRC Committee	SRC Committee
<b>Total meetings held during the FY 2020-21</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>
Anand Rathi	4	Not Applicable	2	2	Not Applicable
Pradeep Gupta	4	Not Applicable	2	Not Applicable	1
Amit Rathi	4	3	Not Applicable	Not Applicable	1
Rakesh Rawal	2	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mohan Tanksale	4	3	Not Applicable	Not Applicable	Not Applicable
Ramesh Chandak	4	Not Applicable	Not Applicable	2	0
K. G. Somani	2	Not Applicable	Not Applicable	1	Not Applicable
Sudha Navandar	4	3	2	Not Applicable	Not Applicable

#### **Annual General Meeting/Extra-Ordinary General Meetings:**

During the year, the Annual General Meeting of the Company was held on 28<sup>th</sup> September 2020. The Extra-ordinary General Meeting of the Company was held on 18<sup>th</sup> December 2020.

#### **13. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of investment made, loans/guarantees given and securities provided, if any, has been disclosed at respective places in Standalone Financial Statements under appropriate heading.

#### **14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the financial year 2020-21, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013, all of which were in the ordinary course of business and are on arm's length basis. Also all those transactions were in accordance with the provisions of the Companies Act, 2013, read with the rules issued thereunder.

Members may note that there are no materially significant related party transactions made by the Company with its promoters, Directors, Key Managerial Personnel or any other designated persons which may have a potential conflict with the interest of the Company at large.

Particulars of material contract or arrangements or transactions at arm's length basis is disclosed as per the prescribed form AOC-2 and annexed as **Annexure-III** which forms an integral part of this Report.

Further, the detailed disclosure on related party transactions as per IND AS-24 containing name of the related party and details of the transactions entered with such related party have also been provided

in the financial statements. For further details, members may refer to note to the Standalone Financial Statements.

All Related Party Transactions were placed before the Audit Committee. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of unforeseen or repetitive in nature.

#### 15. CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

Pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014, the CSR Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the CSR activities which can be undertaken by the Company. In view of recent amendments in CSR Rules, the board has adopted a revised Policy on CSR on 24<sup>th</sup> March 2021.

The salient features of the aforesaid policy including the details of CSR contributions made during the FY 2020-21 are given in “Annual Report on CSR Activities”. The said report confirms to the requirements prescribed under Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 and is annexed as **Annexure –IV** which forms an integral part of this Report.

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

- a) The Company being engaged in the financial services activities, its operations are neither energy intensive nor does it require adoption of specific technology. Hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. Nevertheless, the Company is vigilant on the need for conservation of energy.
- b) There were no inflow or outflow of foreign exchange during the Financial Year ended 31<sup>st</sup> March, 2021.

#### 17. RISK MANAGEMENT

Risk management is embedded in your Company’s operating framework. Your Company believes that managing risks helps in maximizing the returns. The Company’s approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. Also, key business risks and their mitigation are considered on a regular basis in the annual/strategic business plans and in periodic management reviews.

#### 18. INTERNAL FINANCIAL CONTROL

The Company has in place proper and adequate internal financial control systems commensurate with the nature of its business, size and complexity of operations. Internal control systems comprise policies and procedures that are designed to ensure reliability of financial reporting, compliance with applicable laws and regulations. Necessary policies and procedures are in place *inter-alia* to ensure that all assets and resources are acquired economically, used efficiently and protected adequately.

#### 19. DECLARATION BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

In terms of Section 149(7) of the Companies Act, 2013, the Company has received declaration of independence from all independent directors *inter-alia* confirming that they meet the criteria of independence as provided in section 149 (6) of the said Act and that they have registered their name in the database maintained by Indian institute of Corporate Affairs (IICA).

In the opinion of the Board, the Independent Directors re-appointed during the year possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Companies Act 2013 and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act.

## **20. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other regularities;
- iv) they had prepared the annual accounts on a going concern basis.
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **21. MATERIAL ORDERS OF JUDICIAL BODIES /REGULATORS**

During the year under review, no significant and material orders have been passed by any Regulator or Court or Tribunal which could have impact on the going concern status and the operations of the Company in future.

## **22. STATUTORY AUDITOR**

Pursuant to Section 139 of the Act, M/s Khimji Kunverji & Co. LLP, Chartered Accountants, Mumbai ("Khimji Kunverji & Co. LLP") having Registration No. 105146W were appointed as Statutory Auditors of the Company for a period of Five consecutive years at the annual general meeting of the members held on 29<sup>th</sup> September, 2017 on a remuneration to be mutually agreed by the Board of Directors and the Statutory Auditors.

The Company has received a certificate from the said Auditors that they are eligible to hold office as Auditors of the Company and are not disqualified for being so appointed.

## **23. STATUTORY AUDITORS' REPORT**

The Statutory Auditors' Report issued by M/s Khimji Kunverji & Co. LLP for the year under review does not contain any qualification, reservations or adverse remarks. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees.

#### 24. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made thereunder, M/s. Dharmesh Bohra & Associates, Company Secretaries were appointed as Secretarial Auditor of the Company to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **Annexure –V** which forms an integral part of this Report.

It may be noted that, there is no secretarial audit qualification for the year under review.

#### 25. MAINTENANCE OF COST RECORDS

Section 148 (1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 prescribes for maintenance of Cost records by certain class of Companies. Given the nature of service being rendered by the Company, the requirement of maintaining cost records under section 148(1) is not applicable.

#### 26. COMPLIANCE WITH SECRETARIAL STANDARDS

Company is compliant with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

#### 27. VIGIL MECHANISM

Your Company encourages its employees to come forward and express these concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy without fear of any nature whatsoever, or fear of any unfair treatment.

Accordingly, the Company has established a "Vigil Mechanism and Whistle Blower Policy" for Employees including the Directors in employment of the Company.

#### 28. DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Board is committed to providing a safe and conducive working environment for the women employees of the Company, and accordingly, has formulated a policy on prevention, prohibition of sexual harassment of women employees at the work place.

The policy inter alia provides for prevention, prohibition of any acts of sexual harassment of women employees at workplace and the procedure for the redressal of complaints, if any, pertaining to sexual harassment. The Company has constituted an Internal Complaint Committee in accordance with Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to hear and dispose of the cases relating to sexual harassments.

#### 29. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR.

The Board, on the recommendation of the Nomination and Remuneration Committee, has formulated a Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of directors.

The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

The policy is enclosed as **Annexure VI** to this report.

### 30. ACKNOWLEDGEMENT

Your Directors wish to place on record their deep appreciation for the contribution made by the employees at all levels without whose hard work and support, your Company's achievements would not have been possible. Your Directors also wish to place on record their sincere appreciation for the continued support, cooperation, guidance and encouragement received from the government, regulatory & statutory bodies including Company's bankers.

We are hopeful of receiving your continued support and cooperation in future as well.

**For and on behalf of the Board  
Anand Rathi Wealth Limited  
(Formerly "Anand Rathi Wealth Services Limited")**

**Sd/-  
Anand Rathi  
Chairman  
(DIN: 00112853)**

**Place : Mumbai  
Date : 14<sup>th</sup> June, 2021**

**Annexure I**  
**Form No. AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries**

(Rs. in Lakhs)

Sr. No	Particulars	AR DIGITAL WEALTH PRIVATE LIMITED	FREEDOM WEALTH SOLUTIONS PRIVATE LIMITED	FFREEDOM INTERMEDIARY INFRASTRUCTURE PRIVATE LIMITED
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2021
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
3	Share Capital	537.30	249.64	82.93
4	Reserves & Surplus	4102.36	225.87	1484.63
5	Total Assets	4863.43	478.60	1826.55
6	Total Liabilities *	223.77	3.09	259.00
7	Investments	-	-	-
8	Turnover	1082.77	183.43	539.70
9	Profit before taxation	9.06	8.76	35.99
10	Provision for taxation	5.96	2.74	9.08
11	Profit after taxation	3.10	6.02	26.91
12	Proposed Dividend	Nil	Nil	Nil
13	% of shareholding	75.51%	95.00%	100.00%

\* Excluding Share Capital and Reserves & Surplus

**For and on behalf of the Board**  
**Anand Rathi Wealth Limited**  
**(Formerly "Anand Rathi Wealth Services Limited")**

**Sd/-**  
**Anand Rathi**  
**Chairman**  
**(DIN: 00112853)**

**Place : Mumbai**  
**Date : 14<sup>th</sup> June, 2021**

## ANNEXURE -II

### STATEMENT ON EMPLOYEES STOCK OPTION SCHEME AS AT 31<sup>st</sup> MARCH, 2021 PURSUANT TO SUB-RULE 9 OF RULE 12 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES, 2014

#### I. Option movement during the Year: As on 31<sup>st</sup> March 2021

Particulars	ESOP 2017 *	ESOP 2018
Approval	Board and shareholders	Board and shareholders
Options/Rights outstanding at the beginning of the year	1,87,860	2,60,100
Options/Rights granted(during the year)	Nil	Nil
Options /Rights vested (during the year)	93,930	52,020
Options/Rights exercised (during the year)	87,000	52,020
Total number of shares arising out of exercise of options/Rights (during the year)	1,74,000	52,020
Options/Rights forfeited/ lapsed/ cancelled/ surrendered (during the year)	9,510	Nil
Exercise Price (in Rupees)	5	5
Variations of terms of options/Rights (during the year)	Refer note below	--
Money realized by exercise of options /Rights (during the year)/Amount in Rupees.	Rs. 8,70,000/-	Rs. 2,60,100/-
<b>Total number of options/Rights outstanding at the end of the year</b>	<b>91,350</b>	<b>2,08,080</b>

Note:

*\*Due to split in face value of equity shares from Rs. 10 per share to Rs. 5 per share, each option holder is entitled to two equity shares per option held under ESOP 2017 scheme.*

#### II. Employee wise details of options granted during the Financial year 2020-21:-

Particulars	Numbers
(a) Key Managerial Personnel (KMP)	NIL
(b) Any other employee who were granted options in any one year of options amounting to 5% or more of the options granted during that year:  - Mr. Feroze Azeez - Ms. Divya Srinivasan - Mr. Roop Bhootra - Mr. Vishal Laddha	
<i>Employees who were granted options during the FY 2020-21 equal to or exceeding 5% or more of the options granted during FY 2020-21</i>	NIL

(c)	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL
	<i>Number of employees were granted options, during FY 2020-21, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</i>	NIL

**For and on behalf of the Board**  
**Anand Rathi Wealth Limited**  
*(Formerly "Anand Rathi Wealth Services Limited")*

Sd/-  
**Anand Rathi**  
**Chairman**  
(DIN: 00112853)

**Place : Mumbai**  
**Date : 14<sup>th</sup> June, 2021**

**Annexure III  
Form No. AOC 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. In Lakhs)								
Maximum Value of Contract / Transaction (per annum) w.e.f. 1 <sup>st</sup> April 2020								
Transaction defined u/s 188(1) of Companies Act, 2013								
Availing or rendering of any services-								
	Support Services Taken	Support Services Given	Referral Fee	Rent Paid	Brand Charges	Rent Received	DEMAT Charges	Brokerage paid
Anand Rathi Financial Services Ltd	804.26		-	14.40	126.91	-	-	-
Anand Rathi Global Finance Ltd	127.73	66.84	-	2.4	-	-	-	-
Freedom Wealth Solutions Pvt Ltd	-		60.23	-	-	-	-	-
Anand Rathi Insurance Brokers Ltd	-		-	-	-	0.6		-
Anand Rathi Shares & Stock Brokers Ltd	340.49	30.27	-	-	-	-	21.22	15.57
AR Digital Wealth Private Ltd	38.23	7.84	-	-	-	-		-
Anand Rathi Advisors Ltd	15.44		-	-	-	-		--

For and on behalf of the Board  
Anand Rathi Wealth Limited  
(Formerly "Anand Rathi Wealth Services Limited")  
Sd/-  
Anand Rathi  
Chairman  
(DIN: 00112853)

Place : Mumbai  
Date : 14<sup>th</sup> June, 2021

## Annexure – IV

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

SL No.	Particulars	Updates
1.	<b>A brief outline of the Company's CSR policy</b>	<p>As a responsible organisation, Anand Rathi Group has always strived to make positive change in the society.</p> <p>In order to further this objectives, the Company has adopted a Policy on Corporate Social Responsibility (CSR Policy).</p> <p>The Policy inter alia covers numbers of social driven areas in which the company wishes to direct its resources as part its ongoing CSR program.</p> <p>The scope of the Policy inter alia includes, promoting gender equality, empowerment of women, promoting health care including preventive health care, education, environmental sustainability, rural developments, eradicating hunger, poverty &amp; malnutrition, promoting rural sports, making contribution to various government sponsored funds, as notified from time to time including the registered organization, established for above purpose etc.</p> <p>The Policy, among other things, provides for identification of CSR projects/programs by CSR Committee and the process for its implementations and monitoring.</p> <p>For detailed policy, please refer to <a href="https://rathi.com/Wealth/Investorrelations.php">https://rathi.com/Wealth/Investorrelations.php</a></p>

2.	<b>The Composition of the CSR Committee</b>				
	<b>Sl. No.</b>	<b>Name of Director</b>	<b>Designation / Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>
	1	Mr. Anand Rathi	Chairman	2	2
	2	Mrs. Sudha Navandar	Member/Director	2	2
	3	Mr. Pradeep Gupta	Member/Director	2	2
3	<b>Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company</b>			<a href="https://rathi.com/Wealth/Investorrelations.php">https://rathi.com/Wealth/Investorrelations.php</a>	
4	<b>Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable</b>			Not applicable	
5	<b>Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any</b>				
	<b>Sl. No.</b>	<b>Financial Year</b>	<b>Amount available for set-off from preceding financial years (in Rs.)</b>	<b>Amount required to be setoff for the financial year, if any (in Rs.)</b>	
	1	2019-2020	Nil		
	2	2020-2021		Nil	
6	<b>Average net profit of the Company for last three financial years as per section 135(5)</b>			Rs. 89,02,04,661/-	
7	<b>(a) Two percent of average net profit of the company as per section 135(5)</b>			Rs. 1,78,04,093/-	
	<b>(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.</b>			Nil	

	(c) Amount required to be set off for the financial year, if any	Nil
	(d) Total CSR obligation for the financial year (7a+7b-7c).	Rs. 1,78,04,093/-

8 (a) Details of CSR spent during the financial year:

Total Amount Spent for the Financial Year. (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of Transfer	Name of the Fund	Amount.	Date of Transfer
Rs. 178,78,381/-	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1												
Nil												
<b>Total</b>												

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

Sl. NO	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1	Contribution towards Corpus of the ACILNavsarjan Rural Development Foundation	(i) to (iv)& (x)	No	NA		Rs.129,00,000/-	No	ACIL Navsarjan Rural Development Foundation	NA
2	Contribution towards Corpus of the PM Cares Funds	(viii)	No	NA		Rs. 4,978,381/-	No	PM Cares Funds	NA

**(d) Amount spent in Administrative Overheads** NIL**(e) Amount spent on Impact Assessment, if applicable** NIL**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)** Rs. 178,78,381/-**(g) Excess amount for set off, if any**

Sr. No	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 1,78,04,093/-
(ii)	Total amount spent for the Financial Year	Rs. 1,78,78,381/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 74,288/-

	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil						
	(v)	<b>Amount available for set off in succeeding financial years [(iii)-(iv)]</b>	Rs. 74,288/-						
9	<b>(a) Details of Unspent CSR amount for the preceding three financial years :</b>								
	<b>SI. NO</b>	<b>Preceding Financial Year.</b>	<b>Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)</b>	<b>Amount spent in the reporting Financial Year (in Rs.).</b>	<b>Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.</b>	<b>Amount remaining to be spent in succeeding financial years. (In Rs.)</b>			
					<b>Name of the Fund</b>	<b>Amount (in Rs.)</b>	<b>Date of transfer.</b>		
	1.				NIL				
	<b>(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):</b>								
	<b>SI. NO</b>	<b>Project ID</b>	<b>Name of the Project</b>	<b>Financial Year in which the project was commenced.</b>	<b>Project duration.</b>	<b>Total amount allocated for the project (in Rs.)</b>	<b>Amount spent on the project in the reporting Financial Year (in Rs.).</b>	<b>Cumulative amount spent at the end of reporting Financial Year. (In Rs.)</b>	<b>Status of the project - Completed /Ongoing.</b>
						NIL			
10	<b>In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year</b>				Nil				
	<p>(a) <b>Date of creation or acquisition of the capital asset(s).</b></p> <p>(b) <b>Amount of CSR spent for creation or acquisition of capital asset.</b></p> <p>(c) <b>Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.</b></p> <p>(d) <b>Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).</b></p>								

11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	NOT APPLICABLE
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**For and on behalf of the Board of Directors**

**Anand Rathi Wealth Limited**

*(Formerly "Anand Rathi Wealth Services Limited")*

**Sd/-**  
**Anand Rathi**  
**Chairman – CSR Committee**  
**DIN :00112853**

**Sd/-**  
**Amit Rathi**  
**Managing Director**  
**DIN: 00029791**

Place: Mumbai  
Date: 14<sup>th</sup> June, 2021

## Annexure-V

### SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]  
For the Financial Year ended 31<sup>st</sup> March 2021

To,

The Members,  
Anand Rathi Wealth Limited  
(Formerly "Anand Rathi Wealth Services Limited")  
Express Zone, A Wing, 10<sup>th</sup> Floor,  
Western Express Highway,  
Goregaon (E), Mumbai – 400063

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Anand Rathi Wealth Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure-A for the financial year ended 31<sup>st</sup> March 2021, according to the provisions of:
  - (i) The Companies Act, 2013 ('the Act') and the rules made thereunder to the extent applicable;
  - (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
2. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as per the list given in Annexure-B.

We have also examined compliance with the applicable clauses of Secretarial Standards-1 and 2 issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013 and during the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. There was no change in the composition of the Board of Directors during the year under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

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

**For Dharmesh Bohra & Associates**

Company Secretaries

Sd/-

Shruti Somani

**Partner**

M. No. 49773

C.P. No. 22487

UDIN: A049773C000494844

Place: Mumbai

Date: 21/06/2021

## **Annexure A**

### **List of documents verified**

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31<sup>st</sup> March 2020;
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee, held during the said audit period along with Attendance Register;
4. Minutes of General Meetings held during the financial year under report;
5. Statutory Registers viz.
  - Register of Members
  - Register of Directors & Key Managerial Personnel and their Shareholding
  - Register of Contracts with Related Party and Contracts and Bodies etc. in which Directors' are interested
  - Register of loans, guarantees and security and acquisition made by the Company
  - Register of Charges
  - Register of Employee Stock Options
6. Agenda papers submitted to all the Directors/members for the Board meeting and the Committee Meetings;
7. Declarations/ Disclosures received from the Directors/ Secretary of the Company pursuant to the provisions of 184, 164 of the Companies Act, 2013;
8. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Various Policies made under the Companies Act, 2013

## **Annexure B**

### **List of applicable laws to the Company Under the Major Group and Head**

- Competition Act, 2002
- Shops and Establishment Act and Rules
- Companies Act, 2013 and Rules made thereunder
- Negotiable Instruments Act, 1881
- Income Tax Act, 1961
- Indian Stamp Act and Stamp 1899 and stamp duties prescribed for respective states;
- The Goods and Services Tax Act, 2017
- Minimum Wages Act, 1948
- Employees State Insurance Act, 1948
- Payment of Bonus Act, 1985
- Payment of Gratuity Act, 1972
- Employee Provident Fund and Miscellaneous Provisions Act, 1952
- The Maternity Benefits Act, 1961
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

## **Annexure – VI**

### **NOMINATION AND REMUNERATION POLICY**

Your company has formulated and adopted the following Nomination and Remuneration Policy.

#### **1. Preamble**

The Nomination and Remuneration Policy of Anand Rathi Wealth Services Limited, (the "Company") is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and teamwork, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

This Remuneration Policy applies to Directors, Senior Management including its Key Managerial Personnel (KMP) and other employees of the Company.

#### **2. Objective**

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

The Key Objectives of the Committee are:

- a. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### **3. Definition**

- a. **Act**: The Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. **Board**: Board of Directors of the Company.
- c. **Directors**: Directors of the Company.
- d. **Independent Director**: Independent Director of the Company appointed in pursuance of the Companies Act and Listing Agreement with stock exchanges.
- e. **Key Managerial Personnel**:
  - i. Managing Director;
  - ii. Whole-time Director;
  - iii. Chief Executive Officer;
  - iv. Deputy CEO;
  - v. Chief Financial Officer;
  - vi. Company Secretary; and
  - vii. Such other officer as may be prescribed from time to time.

f. **Senior Management:** Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

g. **Nomination & Remuneration Committee:** Committee of the Board, constituted, in accordance with provisions of Section 178 of the Act and Listing Agreement with stock exchanges

h. **Employees Stock Option:** The option given to the Directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

i. **Rules:** Rules framed under the Act

j. **Remuneration:** Any money or its equivalent given or passed on to any person for services rendered which included perquisites and other benefits.

#### **4. Role of Committee**

The role of the Committee are following:

- a. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b. To recommend to the Board, the appointment and removal of Senior Management.
- c. To carry out evaluation of Director's performance and recommend to the Board appointment/ removal based on his/ her performance.
- d. To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors' remuneration and incentive.
- e. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g. To devise a policy on Board diversity;
- h. To consider and approve the ESOP policies and address issues relating to the same including for ESOP 2017 and ESOP 2018;
- i. To develop a succession plan for the Board with segregated succession readiness of the management council and executive directors into 3 types - 1-3 years; 3-5 years; and, over 5 years and review it at least twice a year;

#### **5. Membership**

- a. The Committee consists of a minimum 3 Directors, majority of them being independent.
- b. Minimum two (2) members constitutes a quorum for the Committee meeting.
- c. Membership of the Committee is disclosed in the Annual Report.
- d. Term of the Committee is continued unless terminated by the Board of Directors.

#### **6. Terms/ Tenure**

a. Managing Director/Whole-time Director:

The Company appoints or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment is made earlier than one year before the expiry of term.

b. Independent Director:

An Independent Director holds the office for a term up to five consecutive years on the Board of the Company and is eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director holds office for more than two consecutive terms, but such Independent Director is eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director is not, during the said period of three years, appointed in or associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she is eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it is ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

## **7. Chairperson**

- a. Chairman of the Committee is an Independent Director.
- b. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting, choose another independent Director amongst them to act as Chairman.
- d. Chairman of the Nomination and Remuneration Committee meeting is entitled to be present at the Annual General Meeting, but if not, may nominate some other member to answer the shareholders' queries.

## **8. Frequency of meeting**

The Committee is entitled to meet at least twice a year.

## **9. Committee member Interest**

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **10. Secretary**

The Company Secretary of the Company acts as Secretary of the Committee.

## **11. Voting**

Matters arising for determination at Committee meetings are decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairman of the meeting has a casting vote.

## **12. Nomination duties**

The duties of the Committee in relation to nomination matters include:

- a. Ensuring that there is an appropriate induction & training program in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b. Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- c. Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d. Determining the appropriate size, diversity and composition of the Board;
- e. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective through independent party. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- g. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- h. Recommend any necessary changes to the Board.
- i. Considering any other matters as may be requested by the Board;

### **13. Remuneration structure and components**

#### **Managing Director and whole time Director**

Fixed and variable components of remuneration are paid to Managing Director and whole time Director, subject to provisions of the Act, rules and regulations and Listing Agreement with stock exchanges.

#### **Non- executive Directors**

Non-executive Directors are paid sitting fees for the meetings of the Board and Committees thereof, subject to adequacy of profits and with approval of shareholders, the Company may pay commission to non- executive Directors, provided it is approved by Nomination and Remuneration Committee.

#### **Other Key Management Personnel/ Senior Management and Employees**

Remuneration components are combined to ensure an appropriate and balanced remuneration package depending upon level of employee, job profile, performance, future potential, etc.

### **14. Remuneration duties**

The duties of the Committee in relation to remuneration matters include:

- (a) To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- (b) To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- (c) To delegate any of its powers to one or more of its members or the Secretary of the Committee to consider any other matters as may be requested by the Board;
- (d) Professional indemnity and liability insurance for Directors and senior management.

## **15. Minutes of the Committee meetings**

Proceedings of all meetings are recorded in the minutes and are signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings are tabled at the following Board and Committee meeting.

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Anand Rathi Wealth Limited (formerly known as Anand Rathi Wealth Services Limited)**

**Report on the Audit of the Standalone Ind AS Financial Statements**

### **Opinion**

1. We have audited the accompanying Standalone Ind AS Financial Statements of **Anand Rathi Wealth Limited** (formerly known as Anand Rathi Wealth Services Limited) ('the Company'), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS Financial Statements give the information required by the Companies Act, 2013 ('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, 2021, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

3. The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Corporate Governance and such other disclosures related Information, excluding the Standalone Ind AS Financial Statements and auditors report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'

#### **Responsibility of Management for Standalone Ind AS Financial Statements**

4. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

5. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements 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.
- 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. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.

### **Other Matters**

6. The entire audit finalization process was carried from remote locations i.e. other than the office of the Company where books of account and other records are kept, based on data/details or financial information provided to us through digital medium, owing to lockdown imposed by the State Government to restrict the spread of COVID 19. Being constrained, we resorted to and relied upon the results of the related alternate audit procedures to obtain sufficient and appropriate audit evidence for the significant matters in course of our audit. Our report is not modified in respect of this matter.

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

7. 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 Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Accounting Standards) Rules, 2015.
  - e. On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to over financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2.
  - g. In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, we report that the managerial remuneration paid by the Company to its Directors is in accordance with provisions of Section 197 read with schedule V of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

- (i) The Company has disclosed the impact of pending litigations on the financials position in its Standalone Ind AS Financial Statements. Refer Note no. 35 to the Standalone Ind AS Financial Statements;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Khimji Kunverji & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 105146W / W-100621

**Gautam V Shah**

Partner

Membership No.: 117348

ICAI UDIN : 21117348AAAAAV2836

Place : Mumbai

Date : June 16, 2021

**Annexure 1 to the Independent Auditors' Report to the members of Anand Rathi Wealth Limited  
(formerly known as Anand Rathi Wealth Services Limited)**

[referred to in para 7 under 'Report on Other Legal and Regulatory Requirements']

- i.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As informed to us, fixed assets were physically verified by the Management at regular intervals. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its business. During the year, the Company was unable to conduct the physical verification of Fixed assets as per the planned program due to lockdown on account of Covid 19 pandemic. However, the Company plans to conduct the physical verification once the situation normalizes.
  - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The nature of business of the Company does not require it to have any inventory. Hence, the reporting under clause 3(ii) of the Order is not applicable to it.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The Schedule of repayment of principal and interest is regular as and when they fall due
  - (c) There were no overdue as at the balance sheet date.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of services rendered by the Company.
- vii. In respect of Statutory dues:
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Cess and other material statutory dues generally have been regularly deposited during the year by the Company with the appropriate authorities. There are no undisputed statutory dues payable in respect to the above statues, outstanding as at March 31, 2021 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 on the basis of our examination of the records of the Company, there are no cases of non-deposit with appropriate authorities of disputed dues of Income tax, Sales Tax, Service Tax, Custom duty, Cess and other material statutory dues.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. Further, the Company has not taken loans or borrowings from government and has not issued any debentures during the year.
- ix. In our opinion and according to the information and explanations given to us, Company has not raised moneys by way of initial public offer (including debt instruments). Further, monies raised by the Company by way of term loans were applied for the purpose for which they were raised.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with limits given in section II of Part II of Schedule V to the Act by passing a resolution as prescribed.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, reporting under clause (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required under applicable Indian Accounting Standards (Ind AS).
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of 260,100 equity shares at Rs 411 per equity share (Face value: Rs 5 per equity share) during the year as per the provisions of Act and the amount raised have been used for the purpose for which it was raised.
- xv. 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 them. Accordingly, reporting under clause (xv) of the Order is not applicable to the Company.

- xvi. In our opinion, the Company is required to be registered under Section 45IA of the Reserve Bank of India Act, 1934 considering that the Company's Financial Assets and Financial income constitute more than 50 percent of the total assets and gross income. However, the Management is of the view that the Company is actively engaged in Wealth Management business and the investments in the subsidiaries, which are considered in the nature of financial assets are primarily for the purpose of infrastructure and software and should not be considered as Financial Assets. In the opinion of the management, the said investments in subsidiaries should not be considered as financial assets for computation of 50 percent test and thus the Company may not require to register as NBFC. The Company has also submitted request to RBI explaining this position and seeking guidance on captioned matter.

For **Khimji Kunverji & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 105146W / W-100621

**Gautam V Shah**

Partner

Membership No.: 117348

ICAI UDIN : 21117348AAAAV2836

Place : Mumbai

Date : June 16, 2021

**Annexure 3 to the Independent Auditors' Report to the members of Anand Rathi Wealth Limited (formerly known as Anand Rathi Wealth Services Limited)**

[referred to in paragraph 8(f) under 'Report on Other Legal and Regulatory Requirements']

**Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **Anand Rathi Wealth Limited** (formerly known as Anand Rathi Wealth Services Limited) ('the Company') as at March 31, 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

**Opinion**

In our opinion, the Company has an internal financial controls system with reference to Standalone Ind AS financial statements which are operating effectively, design whereof needs to be enhanced to make it comprehensive. Based on verification of process control matrixes, made available to us for the financial year under report and thereafter, in our opinion considering the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note, appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business.

**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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**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 Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 Standalone Ind AS 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:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS 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.

For **Khimji Kunverji & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 105146W / W-100621

**Gautam V Shah**

Partner

Membership No.: 117348

ICAI UDIN : 21117348AAAAV2836

Place : Mumbai

Date : June 16, 2021

(Rs in Lakh)

PARTICULARS	Notes	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	671.97	826.14
Right-of-use Asset	3	1,292.06	2,312.27
Capital Work in Progress	4	6,903.92	6,538.58
Other Intangible assets	5	39.43	74.34
<b>Financial Assets</b>			
- Investments	6(i)	19,164.65	19,114.92
- Loan	7(i)	203.69	236.36
- Other Financial assets	8(i)	223.20	199.00
Deferred Tax Assets (Net)	9	177.36	210.08
Other Non Current Assets	10	1,006.63	291.78
<b>Total Non-Current Assets</b>		<b>29,682.91</b>	<b>29,803.47</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
- Investments	6(ii)	267.84	183.21
- Trade Receivables	11	1,000.94	799.19
- Cash and cash equivalents	12	3,781.89	2,596.31
- Loans	7(ii)	112.03	5,274.84
- Other Financial Assets	8(ii)	1,232.40	3,095.96
Other Current Assets	13	137.00	1,154.23
<b>Total Current Assets</b>		<b>6,532.10</b>	<b>13,103.74</b>
<b>TOTAL ASSETS</b>		<b>36,215.01</b>	<b>42,907.21</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	1,375.68	1,351.37
Other Equity	15	26,601.23	21,154.98
<b>Total Equity</b>		<b>27,976.91</b>	<b>22,506.35</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
- Borrowings	16(i)	2,496.37	3,335.97
- Other Financial Liabilities	18(i)	637.37	1,422.17
Provision	20(i)	95.54	185.73
<b>Total Non-Current Liabilities</b>		<b>3,229.28</b>	<b>4,943.87</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	16(ii)	839.62	837.02
- Trade Payables	17		
Total Outstanding dues of micro enterprises and small enterprises		8.15	34.25
Total Outstanding dues of creditors other than micro enterprises and small enterprises		8.35	121.14
- Other Financial Liabilities	18(ii)	1,299.20	10,011.16
Other Current Liabilities	19	911.87	519.97
Provisions	20(ii)	1,941.63	3,933.45
<b>Total Current Liabilities</b>		<b>5,008.82</b>	<b>15,456.99</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,215.01</b>	<b>42,907.21</b>
Notes Forming Part of Ind AS Standalone Financial Statement	1-44		

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of  
Khimji Kunverji & Co LLP  
Chartered Accountants  
Registration No.:105146W/W100621

Amit Rathi  
Managing Director  
DIN : 00029791  
June 14, 2021

Rakesh Rawal  
Director & Chief Executive Officer  
DIN : 02839168  
June 14, 2021

Gautam V Shah  
Partner  
Membership No: 117348  
Mumbai  
Date: June 16, 2021

Ashish Chauhan  
Company Secretary  
June 14, 2021

Rajesh Bhutara  
Chief Financial Officer  
June 14, 2021

ANAND RATHI WEALTH LIMITED (Previously Known as Anand Rathi Wealth Services Limited) CIN : U67120MH1995PLC086696 IND AS STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2021			
(Rs in Lakh)			
PARTICULARS	NOTES	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
I Revenue From Operation	21	25,431.87	32,235.53
II Other Income	22	793.41	570.22
<b>Total Revenue</b>		<b>26,225.28</b>	<b>32,805.75</b>
III Expenses:			
Employee Benefit Expenses	23	14,451.82	16,035.68
Finance Costs	24	274.77	323.98
Depreciation and Amortisation Expenses	3 & 5	1,239.13	1,575.40
Other Expenses	25	4,025.04	5,294.86
<b>Total Expenses</b>		<b>19,990.76</b>	<b>23,229.92</b>
IV Profit Before Tax		6,234.52	9,575.83
V Tax Expenses:	26		
1. Current Tax		1,590.05	2,579.90
2. Prior Year Taxes		192.74	4.23
3. Deferred Tax		32.74	(136.10)
<b>Total Tax Expenses</b>		<b>1,815.53</b>	<b>2,448.03</b>
VI Profit for the year		<b>4,418.99</b>	<b>7,127.80</b>
VII Other Comprehensive Income/(loss)			
(A) (i) Items that will not be subsequently reclassified to profit or loss -Remeasurement of the net defined benefit liability		11.17	(105.82)
(ii) Less : Income tax relating 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 relating to items that will be reclassified to profit or loss		-	-
<b>Total Other comprehensive Income/(Loss)</b>		<b>11.17</b>	<b>(105.82)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>4,430.16</b>	<b>7,021.98</b>
VIII Earning Per Equity Share of Face Value of Rs. 5 each	30		
Basic		16.20	26.40
Diluted		15.97	26.04
Notes Forming Part of Ind AS Standalone Financial Statement	1-44		
As per our attached report of even date.		For and on Behalf of Board of Directors	
For and on Behalf of Khimji Kunverji & Co LLP Chartered Accountants Registration No.:105146W/W100621		Amit Rathi Managing Director DIN : 00029791 June 14, 2021	Rakesh Rawal Director & Chief Executive Officer DIN : 02839168 June 14, 2021
Gautam V Shah Partner Membership No: 117348 Mumbai Date: June 16, 2021		Ashish Chauhan Company Secretary June 14, 2021	Rajesh Bhutara Chief Financial Officer June 14, 2021

ANAND RATHI WEALTH LIMITED (Previously Known as Anand Rathi Wealth Services Limited) CIN : U67120MH1995PLC086696 IND AS STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021		
(Rs in Lakh)		
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	6,234.52	9,575.83
Add / (Less) :		
Depreciation & Amortisation	1,239.13	1,575.40
Interest Income	(312.14)	(238.62)
Finance Costs	274.77	323.98
Gain on Sale of Investments	(265.01)	(230.00)
Net Fair Value (Gain)/Loss on Financial Instruments	(147.66)	62.80
Dividend	(0.63)	(0.65)
Stock Compensation Expenses	647.93	2.65
(Gain) or Loss on Sale of Fixed Assets/Asset written off	(0.17)	1.41
(Gain)/Loss on Investment in PMS	-	(0.22)
Bad Debts written off	-	10.14
Gratuity	106.70	79.92
Leave	47.17	130.05
	<b>1,590.09</b>	<b>1,716.86</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>7,824.59</b>	<b>11,292.69</b>
Adjustment for :		
Decrease/(Increase) in Other Financial Assets	1,884.17	(2,163.27)
Decrease/(Increase) in Trade Receivables	(201.74)	118.47
Decrease/(Increase) in Other Current Assets	1,017.23	(808.68)
(Decrease)/Increase in Trade Payables	(138.90)	147.89
(Decrease)/Increase in Other Financial Liabilities	(8,540.34)	7,091.03
(Decrease)/Increase in Provisions	(2,224.74)	416.82
(Decrease)/Increase Other Current Liabilities	391.90	120.81
	<b>(7,812.42)</b>	<b>4,923.07</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>12.17</b>	<b>16,215.76</b>
Add / ( Less) :		
Direct Taxes Paid (Net)	(2,362.64)	(1,963.95)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(2,350.47)</b>	<b>14,251.81</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property Plant and Equipment	(406.23)	(4,975.70)
Proceeds from Sale of Property Plant and Equipment	3.97	2.00
Acquisition of Software	-	(79.31)
(Loans Given)/Loans Repayment Received	5,136.62	(4,417.56)
Dividend received	0.63	0.65
Interest Received	267.45	197.59
Security Deposit (Given)/Received	127.33	(0.75)
Investment in Subsidiaries and Other Companies	(0.00)	(13,723.95)
Payments to acquire Investments	(28,242.63)	(568,205.00)
Proceeds on sale of Investments	28,455.38	575,738.77
Advance for Vehicle Purchase	(135.00)	-
Bank Deposits placed	(3.00)	(149.00)
<b>NET CASH (USED IN)/ FROM INVESTING ACTIVITIES</b>	<b>5,204.52</b>	<b>(15,612.26)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Net Borrowings	(836.99)	4,113.31
Interest paid	(99.11)	(63.43)
Issue of Shares	1,080.31	5.94
Dividend paid	(687.84)	-
Repayment of Lease liabilities	(1,124.84)	(1,209.66)
<b>NET CASH (USED IN)/ FROM FINANCING ACTIVITIES</b>	<b>(1,668.47)</b>	<b>2,846.16</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,185.58</b>	<b>1,485.71</b>
<b>CASH AND CASH EQUIVALENTS - Opening Balance</b>	<b>2,596.31</b>	<b>1,110.60</b>
<b>CASH AND CASH EQUIVALENTS - Closing Balance</b>	<b>3,781.89</b>	<b>2,596.31</b>
<b>Details of Cash and Cash equivalent at the end of the year</b>		
- Cash in Hand	1.29	3.36
- Balance in Current Account	980.60	2,592.95
- Balance in Deposit Account	2,800.00	-
<b>Total</b>	<b>3,781.89</b>	<b>2,596.31</b>
Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 Statement of Cash flows.		
As per our attached report of even date. For and on Behalf of Board of Directors		
For and on Behalf of Khimji Kunverji & Co LLP Chartered Accountants Registration No.:105146W/W100621	Amit Rathi Managing Director DIN : 00029791 June 14, 2021	Rakesh Rawal Director & Chief Executive Officer DIN : 02839168 June 14, 2021
Gautam V Shah Partner Membership No: 117348 Mumbai Date: June 16, 2021	Ashish Chauhan Company Secretary June 14, 2021	Rajesh Bhutara Chief Financial Officer June 14, 2021

**ANAND RATHI WEALTH LIMITED**

(Previously Known as Anand Rathi Wealth Services Limited)

CIN : U67120MH1995PLC086696

**IND AS STANDALONE STATEMENT OF CHANGES IN EQUITY**

A. Equity Share Capital	Nos.		Rs in Lakh	
Equity shares of Rs 5 each issued, subscribed and fully paid at April 01, 2019	26,908,600		1,345.43	
Shares Issued during the year for consideration of Rs 5 each	118,840		5.94	
Equity shares of Rs 5 each issued, subscribed and fully paid at March 31, 2020	27,027,440		1,351.37	
Shares Issued during the year for consideration of Rs 5 each	486,120		24.31	
Equity shares of Rs 5 each issued, subscribed and fully paid at March 31, 2021	27,513,560		1,375.68	

B. Other Equity	(Rs in Lakh)				
	Reserves and Surplus			Other Comprehensive Income	Total Other Equity
	Securities Premium	Retained Earnings	Share Options Outstanding		
Balance as at April 1, 2019	2,520.03	11,640.93	2.47	(33.08)	14,130.35
Profit for the year	-	7,127.80	-	-	7,127.80
Remeasurement of the net defined benefit liability/asset	-	-	-	(105.82)	(105.82)
Total	2,520.03	18,768.73	2.47	(138.90)	21,152.33
Issue of shares on premium	1.68	-	-	-	1.68
Total	2,521.71	18,768.73	2.47	(138.90)	21,154.01
Addition in Share Options during the year	-	-	2.65	-	2.65
Less : Utilisation during the year	-	-	(1.68)	-	(1.68)
Transfer on account of options not exercised	-	0.14	(0.14)	-	-
Balance as at March 31, 2020	2,521.71	18,768.87	3.30	(138.90)	21,154.98
Profit for the year	-	4,418.99	-	-	4,418.99
Remeasurement of the net defined benefit liability/asset	-	-	-	11.17	11.17
Total	2,521.71	23,187.86	3.30	(127.73)	25,585.14
Issue of shares on premium	1,267.77	-	-	-	1,267.77
Total	3,789.48	23,187.86	3.30	(127.73)	26,852.91
Addition in Share Options during the year	-	-	647.93	-	647.93
Less : Utilisation during the year	-	-	(211.77)	-	(211.77)
Transfer on account of options not exercised	-	0.21	(0.21)	-	-
Less : Dividend Paid	-	(687.84)	-	-	(687.84)
Balance as at March 31, 2021	3,789.48	22,500.23	439.25	(127.73)	26,601.23

As per our attached report of even date.	For and on Behalf of Board of Directors	
<b>For and on Behalf of</b> Khimji Kunverji & Co LLP Chartered Accountants Registration No.:105146W/W100621	<b>Amit Rathi</b> Managing Director DIN : 00029791 June 14, 2021	<b>Rakesh Rawal</b> Director & Chief Executive Officer DIN : 02839168 June 14, 2021
<b>Gautam V Shah</b> Partner Membership No: 117348 Mumbai Date: June 16, 2021	<b>Ashish Chauhan</b> Company Secretary June 14, 2021	<b>Rajesh Bhutara</b> Chief Financial Officer June 14, 2021

**ANAND RATHI WEALTH LIMITED****(Previously Known as Anand Rathi Wealth Services Limited)**

CIN : U67120MH1995PLC086696

NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**1 CORPORATE INFORMATION**

Anand Rathi Wealth Limited ("the Company") having CIN U67120MH1995PLC086696 was incorporated on March 22, 1995. On March 8, 2017, the Company was converted from Private Company to Public Company. Its registered office is at Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon (E), Mumbai - 400 063, Maharashtra. With effect from January 7, 2021 the name of the company was changed from Anand Rathi Wealth Services Limited to Anand Rathi Wealth Limited. It is engaged in business of Services for Distribution and Sale of Financial products.

**2 SIGNIFICANT ACCOUNTING POLICIES****(a) Statement of Compliance**

These financial statements are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act.

The financial statements were approved for issue by the Board of Directors of the Company at their meeting held on June 14, 2021.

**(b) Basis of preparation of Ind AS Standalone Financial Statements**

These Financial Statements have been prepared on historical cost basis, except for certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 and leasing transactions that are within the scope of Ind AS 116.

The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year by the Company.

**Fair Value Measurement**

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

**(c) Critical Accounting Judgments and key Sources of Estimation Uncertainty**

The preparation of the Company's Ind AS Standalone Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

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

(i) Amortisation of Customer relationship cost: During the year 2016-17 company has acquired Private Wealth Management business from Religare Wealth Management Limited, for which the company has made payment which have been capitalised as Customer Relationship Cost. Company expects that it will get future economic benefit of it over the period of 3 years.

(ii) Depreciation / Amortisation and useful lives of property, plant and equipment: Company depreciate its tangible assets over the useful life of an Asset as prescribed under Part C of Schedule II of Companies Act, 2013. Company remeasure remaining useful life of an asset at the end of each reporting date.

**ANAND RATHI WEALTH LIMITED****(Previously Known as Anand Rathi Wealth Services Limited)**

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(iii) Fair value measurement: Fair Value is a price of orderly transaction between market participants at the measurement date under current market conditions. Company determines Fair Value of Quoted Investment from available market price. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(iv) Provisions: Provisions are recognized when there is a present obligation (legal or constructive) as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation. Management estimates it by using its best judgement of future cash outflow.

(v) Taxes: The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. For matters where it is probable that an adjustment will be made, the Company records its best estimates of the tax liability in the current tax provision. The Management believes that it has adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

**(vi) Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government securities.

(vii) Leases: The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**(d) Current and Non-Current Classification**

An asset shall be classified as current when it satisfies any of the following criteria:—

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
  - (b) it is held primarily for the purpose of being traded;
  - (c) it is expected to be realised within twelve months after the reporting date; or
  - (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- All other assets shall be classified as non-current.

A liability shall be classified as current when it satisfies any of the following criteria:—

- (a) it is expected to be settled in the company's normal operating cycle;
  - (b) it is held primarily for the purpose of being traded;
  - (c) it is due to be settled within twelve months after the reporting date; or
  - (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities shall be classified as non-current.

**(e) Property, Plant and Equipment & Intangible Assets and Depreciation & Amortisation****Property, Plant and Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Direct costs in relation to the fixed assets are capitalized until such assets are ready for use.

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(i) Tangible Assets: Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased during a period is proportionately charged. The Management estimates the useful lives and residual values of the fixed assets as prescribed under Part C of Schedule II of the Companies Act 2013 as follows.

<u>Fixed Assets</u>	<u>Useful Life</u>
Office Equipments	5 years
Computer Equipments	
a. Server	6 years
b. Other Computer Equipments	3 years
Motor Car	8 years
Furniture and Fixtures	10 years

(ii) Improvements on leased premises are depreciated over the lease period or useful life of the fixtures, whichever is lower.

(iii) Intangible Assets: Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any. Amortisation is recognised in profit & loss on a straight line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given hereunder:

Customer Relationship and Software cost is amortised over the period of 3 years.

(iv) Capital work-in-progress comprises cost of property, plant and equipment that are not yet ready for their intended use as at the year end

**(f) Financial Instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition :**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**(i) Classification & Measurement of Financial Assets**

Financial assets are classified as 'Amortised Cost', 'Fair Value through Profit and Loss' (FVTPL) and 'Fair Value through Other Comprehensive Income' (FVTOCI) in the following categories:

Debt Instruments at amortised cost: Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for those designated at FVTPL on initial recognition)

- the asset is held within a business model whose objective is to hold asset to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt Instruments at FVTOCI: Debt instruments that meet the following conditions are subsequently measured at FVTOCI (except for those designated at FVTPL on initial recognition)

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt Instruments at FVTPL: Any debt instrument which is either initially designated at FVTPL or which does not meet the criteria for Amortised cost or FVTOCI is measured at FVTPL.

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Effective Interest Rate Method: Interest income from security deposits and debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Equity Instruments at FVTOCI: On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the instrument is held for trading. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investment.

Financial Assets at FVTPL: Investments in equity instruments are classified at FVTPL, unless they were irrevocably elected on initial recognition as FVOCI. Financial Assets at FVTPL are measured at Fair Value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

*(ii) Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost, FVOCI debt instruments, and other financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

*(iii) Derecognition of financial assets*

A financial asset is derecognised only when :

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

*(iv) Financial Liabilities:*

Financial liabilities which are held for trading or are designated at FVTPL are measured at fair value with changes being recognised in the statement of Profit and Loss.

Financial liabilities that are not held for trading and are not designated as at FVTPL, are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

*(v) Derecognition of financial liabilities*

Company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. A substantial modification in the terms of an existing financial liability is accounted as a discharge of original financial liability and recognition of new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised as profit or loss.

*(vi) Offsetting financial assets and liabilities*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right and ability to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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**(g) Derivatives financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss.

**(h) Impairment of Assets**

Property, plant or equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent to those from other assets.

The Carrying Amount of Assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or have decreased

**(i) Cash and cash equivalents**

(i) Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity upto three months, which are subject to insignificant risk of changes in value.

(ii) For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above, net of outstanding bank overdraft as they are considered as an integral part of Company's cash management.

**(j) Borrowing Cost and Finance Charges**

Borrowing cost attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended use. Other borrowing cost are charged to the statement of profit and loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowings.

**(k) Leases**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

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The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**(l) Employee Benefits**

Defined Contribution plan - Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as a part of retirement benefits to its employees. The contributions during the period are charged to statement of profit and loss. The Company recognizes contribution payable to the Provident Fund scheme as an expenditure when an employee renders related service.

Defined Benefit Plan - Gratuity, which is in the nature of Defined Benefit Schemes, are payable only to employees and accounted for on accrual basis. The Cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses are recognised in other comprehensive income in the period in which they occur and are not reclassified to the Statement of Profit and Loss.

The Company has funded its Gratuity liability under group scheme with an Insurer. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of the scheme assets. Any asset resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the scheme.

Short Term Employee Benefits - The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include incentive and Annual Leave which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

**(m) Revenue Recognition**

Ind AS 115 - The Company assesses the nature, timing and extent of revenue based on performance obligations in its contracts/understanding/trade customs with customers & clients.

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the amount based on performance obligation can be reliably measured. Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts.

Income from Distribution and sale of Financial product includes Distribution income on Mutual Fund, Portfolio Management Service (PMS), Referral fees, Consultancy income, Gain/ Loss on sale of Investment (Structured Product), Commission income and Marketing Support charges.

1. Income related with Distribution income on Mutual Fund, PMS, Advisory activities, Referral fees, Consultancy, commission Income and Marketing Support charges is accounted on accrual basis.
2. Dividend income is accounted for when the right to receive the Dividend income is established.
3. Difference between the sale price and the carrying value of investment is recognised as profit or loss on sale/ redemption on investment on trade date of transaction. Carrying value of investments is determined based on weighted average cost of investments sold.
4. Interest income is recognised on a time basis using the effective interest method.

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**(n) Taxes on Income**

Current Tax: Provision for Income Tax is determined in accordance with the provisions of the Income Tax Act, 1961. Provision for Minimum Alternative Tax (MAT) is in accordance with the provisions of Section 115JB of the Income Tax Act, 1961.

Deferred Tax: Deferred tax is provided, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

**(o) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation.

Contingent Liabilities are possible but not probable obligations as on the Balance Sheet date, based on the available evidence. Contingent Liabilities are not recognised in the Ind AS Standalone Financial Statements.

Contingent Assets are neither recognized nor disclosed.

**(p) Earning per share**

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

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

**(q) Cash Flow Statement**

Cash flows statement is prepared using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**(r) Share Based payment Arrangements**

Equity settled share based payments to employees and others are measured at the fair value of equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instrument that will eventually vest, with a corresponding increase in equity.

**(s) Rounding of amounts**

All amounts disclosed in the Ind AS Standalone Financial Statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

## ANAND RATHI WEALTH LIMITED

(Previously Known as Anand Rathi Wealth Services Limited)

CIN : U67120MH1995PLC086696

NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 3 PROPERTY, PLANT AND EQUIPMENT

Description							(Rs in Lakh)
	Right-of-Use Asset	Leasehold Improvements	Computer equipment	Vehicles	Office equipments	Furniture & Fixtures	Total
Gross Block as at April 1, 2020	3,443.50	52.36	539.18	164.43	64.87	302.39	4,566.73
Additions	-	-	34.49	-	5.28	1.12	40.89
Disposals/Written off	373.13	-	5.94	-	-	0.50	379.57
Gross Block as at March 31, 2021	3,070.37	52.36	567.73	164.43	70.15	303.01	4,228.05
Accumulated depreciation as at April 1, 2020	1,131.23	6.30	174.55	53.23	19.41	43.60	1,428.32
Depreciation for the year	1,009.92	4.97	128.17	19.53	12.76	28.88	1,204.23
Less : Disposals/Written off	362.84	-	5.65	-	-	0.04	368.53
Accumulated depreciation as at March 31, 2021	1,778.31	11.27	297.07	72.76	32.17	72.44	2,264.02
Net carrying amount as at March 31, 2021	1,292.06	41.09	270.66	91.67	37.98	230.57	1,964.03

Description							Total
	Right-of-Use Asset	Leasehold Improvements	Computer equipment	Vehicles	Office equipments	Furniture & Fixtures	Total
Gross Block as at April 1, 2019	-	52.36	261.96	164.43	60.13	262.37	801.25
Additions	3,443.50	-	280.01	-	4.82	42.29	3,770.62
Disposals	-	-	2.79	-	0.08	2.27	5.14
Gross Block as at March 31, 2020	3,443.50	52.36	539.18	164.43	64.87	302.39	4,566.73
Accumulated depreciation as at April 1, 2019	-	1.31	71.46	33.65	7.50	18.02	131.94
Depreciation for the year	1,131.23	4.99	104.16	19.58	11.96	26.19	1,298.11
Less : Disposals	-	-	1.07	-	0.05	0.61	1.73
Accumulated depreciation as at March 31, 2020	1,131.23	6.30	174.55	53.23	19.41	43.60	1,428.32
Net carrying amount as at March 31, 2020	2,312.27	46.06	364.63	111.20	45.46	258.79	3,138.41

## 4 CAPITAL WORK IN PROGRESS

Description		
	Building	Total
As at April 1, 2020	6,538.58	6,538.58
Additions	365.34	365.34
Disposals	-	-
As at March 31, 2021	6,903.92	6,903.92
As at April 1, 2019	-	-
Additions	6,538.58	6,538.58
Disposals	-	-
As at March 31, 2020	6,538.58	6,538.58

## 5 OTHER INTANGIBLE ASSETS

Description			(Rs in Lakh)
	Software	Customer Relationship	Total
Opening Gross Block as at April 1, 2020	101.06	856.31	957.37
Additions	-	-	-
Disposals	-	-	-
Gross Block as at March 31, 2021	101.06	856.31	957.37
Accumulated amortisation as at April 1, 2020	29.63	853.40	883.03
Amortisation for the year	32.00	2.91	34.91
Disposals	-	-	-
Accumulated amortisation as at March 31, 2021	61.63	856.31	917.94
Net carrying amount as at March 31, 2021	39.43	-	39.43
As at April 1, 2019	21.75	856.31	878.06
Additions	79.31	-	79.31
Disposals	-	-	-
Gross Block as at March 31, 2020	101.06	856.31	957.37
Accumulated amortisation as at April 1, 2019	4.46	601.29	605.75
Amortisation for the year	25.17	252.11	277.28
Less : Disposals	-	-	-
Accumulated amortisation as at March 31, 2020	29.63	853.40	883.03
Net carrying amount as at March 31, 2020	71.43	2.91	74.34



**ANAND RATHI WEALTH LIMITED**

(Previously Known as Anand Rathi Wealth Services Limited)

CIN : U67120MH1995PLC086696

NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

<b>7 LOANS</b>		(Rs in Lakh)	
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
(i)	Loans - Non current		
	(Un Secured, Considered Good)		
	Security Deposits	203.69	236.36
		<b>203.69</b>	<b>236.36</b>
		(Rs in Lakh)	
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
(ii)	Loans - Current		
	(Un Secured, Considered Good)		
	Security Deposits	112.03	178.86
	<b>Intercompany Deposit To Related Party</b>		
	Anand Rathi Advisors Ltd	-	5,076.31
	(Secured, Considered Good)		
	Others	-	19.67
		<b>112.03</b>	<b>5,274.84</b>
		(Rs in Lakh)	
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>8</b>	<b>OTHER FINANCIAL ASSETS</b>		
(i)	Other Financial Assets - Non current		
	Fixed Deposit with Bank*	202.00	199.00
	Staff Advances	21.20	-
		<b>223.20</b>	<b>199.00</b>
	*(Of the above Rs. 199 lakh is under Lien against Bank Overdraft)		
		(Rs in Lakh)	
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
(ii)	Other Financial Assets - Current		
	Option Premium (net)	-	409.23
	Accrued Interest	25.32	8.46
	Fixed Deposit with Bank	350.00	50.00
	(Above Fixed Deposit is under Lien against Bank Overdraft)		
	Securities Held as Stock in trade		
	<u>Un-Quoted - Fully Paid up</u>		
	Debentures at Fair Value through Profit and Loss		
	In Anand Rathi Global Finance Limited Debentures	836.19	2,481.51
	Staff Advances	20.89	146.75
	Other Receivables	-	0.01
		<b>1,232.40</b>	<b>3,095.96</b>
	Aggregate amount of Un-quoted Debentures	836.19	2,481.51

**ANAND RATHI WEALTH LIMITED**

(Previously Known as Anand Rathi Wealth Services Limited)

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

		(Rs in Lakh)	
9	DEFERRED TAX ASSETS / (LIABILITIES)	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
	Depreciation	50.02	62.25
	Long Term Capital Loss	9.86	9.86
	Leave Provision	88.25	76.37
	Fair Valuation of Financial Instruments and Equity Shares	(31.68)	15.80
	Impact on recognition of Right-of-Use Asset and Lease Liability	60.91	45.80
		<u>177.36</u>	<u>210.08</u>
		(Rs in Lakh)	
10	OTHER NON CURRENT ASSETS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
	Advance Tax (Net of Provision)	871.63	291.78
	Capital Advances	135.00	-
		<u>1,006.63</u>	<u>291.78</u>
		(Rs in Lakh)	
11	TRADE RECEIVABLES	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
	(Unsecured, Considered good)		
	Trade Receivables	1,000.94	799.19
		<u>1,000.94</u>	<u>799.19</u>
		(Rs in Lakh)	
12	CASH AND CASH EQUIVALENTS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
	Balances with Banks		
	- in Current Accounts	980.60	2,592.95
	- in Deposit Accounts	2,800.00	-
	Cash in Hand	1.29	3.36
		<u>3,781.89</u>	<u>2,596.31</u>
		(Rs in Lakh)	
13	OTHER CURRENT ASSETS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
	(Unsecured, Considered good)		
	Staff Advances	-	0.46
	Income Tax Refund Receivable	-	948.35
	Prepaid Expenses	69.76	16.03
	Input tax credit receivable	28.44	89.73
	TCS Recoverable	35.48	-
	Other Receivables	0.85	-
	Advance to Others	2.47	99.66
		<u>137.00</u>	<u>1,154.23</u>

**ANAND RATHI WEALTH LIMITED**

(Previously Known as Anand Rathi Wealth Services Limited)

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

		(Rs in Lakh)	
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>14</b>	<b>EQUITY SHARE CAPITAL</b>		
	<b>Authorised</b>		
	4,00,00,000 (FY 19-20 - 4,00,00,000 Equity Shares of Rs.5/-each) Equity Shares of Rs.5/-each	2,000.00	2,000.00
		<b>2,000.00</b>	<b>2,000.00</b>
	<b>Issued, Subscribed and Paid Up</b>		
	2,75,13,560 (FY 19-20 - 2,70,27,440 Equity Shares of Rs 5/- each ) Equity Shares of Rs.5/-each Fully Paid Up	1,375.68	1,351.37
		<b>1,375.68</b>	<b>1,351.37</b>
<b>(i)</b>	<b>Reconciliation for No. of shares outstanding during the year</b>		
		<b>April 20 to March 21</b>	<b>April 19 to March 20</b>
		<b>No. of Shares</b>	<b>(Rs in Lakh)</b>
	<b>Equity Shares</b>		
	Shares outstanding at the beginning of the year	27,027,440	1,351.37
	Shares Issued during the year for consideration of Rs 5 each	486,120	24.31
	Shares outstanding at the end of the year	<b>27,513,560</b>	<b>1,375.68</b>
		<b>26,908,600</b>	<b>1,345.43</b>
		<b>118,840</b>	<b>5.94</b>
<b>(ii)</b>	<b>Terms/Rights attached to the Equity Shares</b>		
	<b>Equity Shares</b>		
	The Company has only one class of shares referred to as Equity Shares having a face value of Rs 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupee. The dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2021, interim dividend of Rs 2.5/- per share (PY - Rs nil ) has been paid and recognised as distribution to equity shareholders.		
	In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.		
<b>(iii)</b>	<b>Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:</b>		
		<b>AS AT MARCH 31, 2021</b>	<b>AS AT MARCH 31, 2020</b>
	<b>Name of Shareholders</b>	<b>No. of shares held</b>	<b>% of Holdings</b>
		<b>No. of shares held</b>	<b>% of Holdings</b>
	Anand Rathi Financial Services Limited	11,964,082	43.48
	Anand Rathi	3,658,260	13.30
	Pradeep Kumar Gupta	1,510,508	5.49
		11,964,082	44.27
		3,658,260	13.54
		1,510,508	5.59
<b>(iv)</b>	<b>Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:</b>		
		<b>Bonus shares issued by the Company</b>	<b>Issue of shares for consideration other than cash</b>
		<b>Shares bought back</b>	
	March 31, 2020	-	-
	March 31, 2019	-	-
	March 31, 2018	-	-
	March 31, 2017	-	-
	March 31, 2016	6,230,464	-
<b>(v)</b>	<b>Share reserved for issue under options</b>		
	For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer Note No. 31		

**ANAND RATHI WEALTH LIMITED**

(Previously Known as Anand Rathi Wealth Services Limited)

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

		(Rs in Lakh)	
15 OTHER EQUITY		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>(a) Securities Premium</b>			
Opening balance		2,521.71	2,520.03
Add: Addition During the year		1,267.77	1.68
Balance as at year end		<b>3,789.48</b>	<b>2,521.71</b>
<b>(b) Share Options Outstanding Account</b>			
Opening Balance		3.30	2.47
Addition during the year		647.93	2.65
Less : Transferred to Securities Premium		(211.77)	(1.68)
Less : Reversal during the year		(0.21)	(0.14)
Balance as at year end		<b>439.25</b>	<b>3.30</b>
<b>(c) Retained Earnings</b>			
Opening Balance		18,768.87	11,640.93
Add: Profit During the year		4,418.99	7,127.80
Add : Reversal of ESOP		0.21	0.14
Less: Dividend Paid		(687.84)	-
Balance as at year end		<b>22,500.23</b>	<b>18,768.87</b>
<b>(d) Other Comprehensive Income</b>			
Opening Balance		(138.90)	(33.08)
Remeasurement of defined employee benefit plan		11.17	(105.82)
Balance as at year end		<b>(127.73)</b>	<b>(138.90)</b>
<b>TOTAL OTHER EQUITY</b>		<b>26,601.23</b>	<b>21,154.98</b>

**Nature & Purpose of Reserves :****Securities Premium**

Balance of Security premium consist on issue of share over its face value. The balance will be utilised for issue of as per provisions of Section 52 of the Companies Act, 2013.

**Share Option Outstanding Account**

The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees.

**Retained earnings**

Retained earnings comprises of the of the amounts that can be distributed by the Company as dividends to its equity share holders.

**Other Comprehensive Income (OCI)**

OCI includes remeasurement of defined employee benefit plan on account of actuarial gains and losses as per Ind AS 19 Employee Benefits

**ANAND RATHI WEALTH LIMITED**

(Previously Known as Anand Rathi Wealth Services Limited)

CIN : U67120MH1995PLC086696

NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

		(Rs in Lakh)	
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>16</b>	<b>BORROWINGS</b>		
(i)	Borrowings - Non current		
	Term Loan - Loan against Property	2,487.76	3,312.81
	(Secured against 8th & 9th Floor (2nd & 3rd Office Floor), Block 'B' & 'C' of Wing E, Trade Link, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai)		
	Terms of repayment - Repayable in 5 Years (20 quarters), last instalment falling due on March 18, 2025		
	The rate of interest will be I-MCLR 1 Year + Spread, determined at the date of disbursement and reset at end of every 12 months from the date of disbursement. The Company has made regular repayment of principal & interest due over the reporting period		
	Term Loan - Vehicle Loan	8.61	23.16
	(Secured against hypothecation of vehicle purchased)		
	Terms of repayment - Repayable in 36 to 60 equal monthly instalments, last instalment falling due on March 02, 2020 to March 03, 2023.		
	The rate of interest ranges between 8% to 11% p.a.		
	The Company has made regular repayment of principal & interest due over the reporting period		
		<b>2,496.37</b>	<b>3,335.97</b>
			(Rs in Lakh)
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
(ii)	Borrowings - Current		
	Current Maturity of Secured Loan from Banks		
	Term Loan - Loan against Property	825.07	823.34
	Term Loan - Vehicle Loan	14.55	13.68
		<b>839.62</b>	<b>837.02</b>
<b>17</b>	<b>TRADE PAYABLES</b>		
	Total outstanding dues of micro, small and medium enterprises*	8.15	34.25
	Total outstanding dues to other than micro, small and medium enterprises	8.35	121.14
		<b>16.50</b>	<b>155.39</b>
	* The above disclosure is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the Micro, Small and Medium Enterprise Development Act, 2006 (Refer Note - 38).		

<b>ANAND RATHI WEALTH LIMITED</b>				
<b>(Previously Known as Anand Rathi Wealth Services Limited)</b>				
<b>CIN : U67120MH1995PLC086696</b>				
<b>NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021</b>				
		(Rs in Lakh)		
<b>18</b>	<b>OTHER FINANCIAL LIABILITIES</b>	<table border="1"> <thead> <tr> <th>AS AT MARCH 31, 2021</th> <th>AS AT MARCH 31, 2020</th> </tr> </thead> </table>	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
AS AT MARCH 31, 2021	AS AT MARCH 31, 2020			
(i)	Other Financial Liabilities - Non Current			
	Lease Liability	637.37      1,422.17		
		<b>637.37      1,422.17</b>		
(ii)	Other Financial Liabilities - Current			
	Accrued Salaries and Benefits	43.31      11.75		
	Lease Liability	781.37      956.75		
	Provision for Expenses	272.13      179.41		
	Advance from Customers	202.39      8,863.25		
		<b>1,299.20      10,011.16</b>		
		(Rs in Lakh)		
<b>19</b>	<b>OTHER CURRENT LIABILITIES</b>	<table border="1"> <thead> <tr> <th>AS AT MARCH 31, 2021</th> <th>AS AT MARCH 31, 2020</th> </tr> </thead> </table>	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
AS AT MARCH 31, 2021	AS AT MARCH 31, 2020			
	Statutory Dues	910.89      519.84		
	Advance Received	0.98      0.13		
		<b>911.87      519.97</b>		
		(Rs in Lakh)		
<b>20</b>	<b>PROVISIONS</b>	<table border="1"> <thead> <tr> <th>AS AT MARCH 31, 2021</th> <th>AS AT MARCH 31, 2020</th> </tr> </thead> </table>	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
AS AT MARCH 31, 2021	AS AT MARCH 31, 2020			
(i)	Employee Benefit Liabilities - Non Current			
	Gratuity Provision	95.54      185.73		
		<b>95.54      185.73</b>		
(ii)	Employee Benefit Liabilities - Current			
	Leave Provision	350.63      303.45		
	Incentive Provision	1,591.00      3,630.00		
		<b>1,941.63      3,933.45</b>		

**ANAND RATHI WEALTH LIMITED**

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

		(Rs in Lakh)	
		FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>21</b>	<b>REVENUE FROM OPERATION</b>		
	Mutual Fund Distribution Income	8,645.28	9,621.74
	Income from Distribution & Sale of Financial Product	16,786.59	22,613.79
		<b>25,431.87</b>	<b>32,235.53</b>
		(Rs in Lakh)	
		FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>22</b>	<b>OTHER INCOME</b>		
	Interest Income	312.14	238.62
	Gain on sale of Investment	265.01	230.21
	Dividend Received	0.63	0.65
	Miscellaneous and Other Income	215.63	100.74
		<b>793.41</b>	<b>570.22</b>
		(Rs in Lakh)	
		FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>23</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries, Incentive & Allowances	12,960.47	15,121.28
	Contribution to Provident and Other Funds	783.53	793.75
	Share based Payments to Employees	647.93	2.65
	Staff Welfare Expenses	59.89	118.00
		<b>14,451.82</b>	<b>16,035.68</b>

The Company is recognizing and accruing the retirement benefits as per Indian Accounting Standard (Ind AS) 19 on "Employee Benefits". The details are as enunciated below as certified by an Independent Actuary.

**A Defined Benefit Plans****Gratuity:**

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Group and is in accordance with the Rules of the Company for payment of gratuity.

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**Inherent Risk**

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employee in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Particulars	(Rs in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>Amounts recognized in the Balance Sheet in respect of gratuity (funded by the Company):</b>		
Present value of the funded defined benefit obligation at the end of the year	700.34	582.43
Less: Fair value of plan assets	604.80	396.70
<b>Net Liability/( Asset)</b>	<b>95.54</b>	<b>185.73</b>
<b>Amounts recognized in Salary, Wages and Employee Benefits in the Profit and Loss Account in respect of gratuity (funded by the Company):</b>		
Current Service cost	95.80	74.67
Interest on Defined Benefit Obligations	37.09	30.12
Expected return on plan assets	(26.18)	(24.87)
Past Service Cost - Vested Benefit recognised during the year	-	-
<b>Net Gratuity Cost</b>	<b>106.71</b>	<b>79.92</b>
<b>Amount recognized in Other Comprehensive Income (OCI)</b>		
Amount recognized in OCI in beginning of the year	138.89	33.08
<b>Remeasurement due to:</b>		
Effect of Change in financial assumptions	20.46	27.12
Effect of Change in demographic assumptions	-	(1.42)
Effect of experience adjustments	48.40	56.61
<b>Actuarial (Gains)/Losses</b>	<b>68.86</b>	<b>82.31</b>
Less : Return on plan assets (excluding interest)	80.03	(23.50)
<b>Total remeasurements recognized in OCI</b>	<b>(11.16)</b>	<b>105.81</b>
<b>Amount recognized in OCI, End of year</b>	<b>127.73</b>	<b>138.89</b>
<b>Actual Return on Plan Assets :</b>		
Expected Return on Plan Assets	26.18	24.87
Actuarial gain/(loss) on Plan Assets	80.03	(23.50)
<b>Actual Return on Plan Assets</b>	<b>106.21</b>	<b>1.37</b>

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**Reconciliation of present value of the obligation and the fair value of the plan assets:****Change in present value of obligation:**

<b>Opening Defined Benefit Obligation</b>	582.42	416.78
Current Service Cost	95.80	74.67
Interest Cost	37.09	30.12
Liability Transferred out	-	-
Actuarial (Gain)/loss	68.86	82.31
Benefits Paid	(83.83)	(21.45)
Past Service Cost	-	-
<b>Closing Defined Benefit Obligation</b>	<b>700.34</b>	<b>582.43</b>

**Change in fair value plan assets:**

<b>Opening Fair Value of the plan assets</b>	396.70	329.46
Expected return on plan assets	26.18	24.87
Actual Enterprise's Contribution	185.73	87.32
Actual Benefits Paid	(83.83)	(21.45)
Actuarial Gain/(loss)	80.03	(23.50)
<b>Closing Fair value of the plan assets</b>	<b>604.80</b>	<b>396.70</b>

**Investment details of plan assets**

Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Insurer Managed Fund	100%	100%
Others	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Experience Adjustment**

Defined Benefit Obligation	700.34	582.43
Plan Assets	604.80	396.70
(Surplus)/deficit	95.54	185.73
Actuarial (Gains)/Losses on Obligations - Due to Experience	68.86	82.31
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	80.03	(23.50)

**Weighted average duration of Define benefit obligation**

14.26 Yrs 12.95 Yrs

**Maturity profile of defined benefit obligation**

Within next 12 months	69.90	41.01
Between 1 and 5 Years	116.89	133.69
Between 5 and 10 Years	237.80	157.74

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The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**There are no amounts included in the fair value of plan assets for:**

- i) Company's own financial instrument
- ii) Property occupied by or other assets used by the Company

**Discount Rate:**

Discount Rate for this valuation is based on Yield to Maturity (YTM) available on Government bonds having similar term to decrement-adjusted estimated term of liabilities.

For valuation as at March 31, 2021 the estimated term of liabilities is 14.26 years, corresponding to which YTM on government bonds is 6.90%, after rounding to nearest 0.05%.

**Expected rate of return on assets:**

It is the average long term rate of return expected on investments of the Trust Fund.

**Salary Escalation Rate:**

Salary escalation assumption is based on estimates of over all long-term salary growth rates after taking in to consideration expected earnings inflation as well as performance and seniority related increases.

**Withdrawal Rate:**

Assumptions regarding withdrawal rates is based on the estimates of expected long term employee turnover within the organization.

**Mortality Rate**

It is based on Indian Assured Lives Mortality (2006-08) Ult. as issued by Institute of Actuaries of India for the actuarial valuation.

**General Description fair value of the plan:**

The Company has insurer Managed Fund.

**Principal Actuarial Assumptions:**

Discount rate	6.90%	6.60%
Salary Escalation Rate	5.00%	3.50%
Attrition Rate	For Service 4 yrs. & Below 20.00 % p.a. & service 4 yrs. and above 2.00 % p.a.	For Service 4 yrs. & Below 20.00 % p.a. & service 4 yrs. and above 2.00 % p.a.
Retirement Age	60 years	60 years

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**Sensitivity Analysis**

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognized in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

Defined Benefit Obligation (Base)	700.34	582.43
<b>Discount Rate</b>		
Increase by 50 bps	661.68	550.61
Impact of increase by 50 bps in Percentage	-5.52%	-5.46%
Decrease by 50 bps	742.52	617.14
Impact of decrease by 50 bps in Percentage	6.02%	5.96%
<b>Salary Growth Rate</b>		
Increase by 50 bps	713.77	594.96
Impact of increase by 50 bps in Percentage	1.92%	2.15%
Decrease by 50 bps	687.81	570.35
Impact of decrease by 50 bps in Percentage	-1.79%	-2.07%
<b>Expected contribution for the next financial year</b>	69.90	41.01
<b>Weighted Average duration</b>	14.26	12.95

**Asset Liability Matching Strategy**

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to an Insurance Company. The Insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.

There is no compulsion on the part of the Company to fully prefund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

**B Defined Contribution Plans**

Amount recognized as an expense under the head "Contribution to Provident and other Funds" in Note 22 "Employee Benefit Expenses" of Statement of Profit and Loss towards Company's Contribution to Provident Fund is RS 676.46 Lakhs (FY 2019-20 Rs 713.83 Lakhs).

	(Rs in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
24 FINANCE COSTS		
Interest Expense	274.77	323.98
	<b>274.77</b>	<b>323.98</b>

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25 OTHER EXPENSES	(Rs in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
Business Support Charges	986.53	863.77
Data Processing and IT enabled services	650.53	656.33
Legal & Professional Charges	139.34	230.15
Director Sitting Fees	9.75	7.75
Electricity Expenses	63.36	69.33
Communication Expenses	143.26	63.75
Printing and Stationery	114.10	178.95
Postage and Telegram	20.56	43.67
Rent, Rates and Taxes	91.78	72.22
Repairs and Maintenance	88.17	99.82
Recruitment & Training	94.32	75.61
Business Promotion and Marketing Expenses	272.15	1,349.48
Computer & Software Maintenance Charges	64.60	34.29
Client Claim	96.45	57.14
Travelling & Conveyance Expenses	132.80	581.12
Insurance Charges	68.44	55.95
Office Expenses	131.12	177.38
Brand Charges	126.91	162.10
<b>Auditors Remuneration</b>		
Audit Fees	7.50	11.16
Others Services/Certification	0.60	-
Donation	105.85	220.71
CSR Expenses	178.78	114.00
Transaction Charges	157.38	14.86
Miscellaneous & General Expenses	280.76	155.32
	<b>4,025.04</b>	<b>5,294.86</b>

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26 INCOME TAX EXPENSE	(Rs in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>Current Tax</b>		
Current tax on profit for the year	1,590.05	2,579.90
Adjustments for current tax of prior periods	192.74	4.23
<b>Total Current tax expenses</b>	<b>1,782.79</b>	<b>2,584.13</b>
<b>Deferred Tax</b>		
Decrease / (Increase) in deferred tax assets	32.74	(89.22)
(Decrease) / Increase in deferred tax liabilities	-	(46.89)
MAT credit	-	-
<b>Total deferred tax expenses / benefit</b>	<b>32.74</b>	<b>(136.10)</b>
<b>Total Income Tax Expenses</b>	<b>1,815.53</b>	<b>2,448.03</b>

Effective Tax Rate Reconciliation	(Rs in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>Particulars</b>		
Applicable Tax Rate (%)	25.17	25.17
Profit before tax	6,234.52	9,575.83
Tax Expenses as per above rate	1,569.10	2,410.05
<b>Tax Impact Due to:</b>		
Expenses Disallowed	76.21	88.99
Exempt Income	(8.84)	(8.64)
Net impact on adoption of new tax rate (net)	-	7.79
Deductions u/s 80G	(13.29)	(27.77)
On Account of Previous Year Adjustments	192.67	4.24
Others	(0.32)	(26.63)
<b>Total Tax Expenses</b>	<b>1,815.53</b>	<b>2,448.03</b>
<b>Effective Tax Rate</b>	<b>29.12</b>	<b>25.56</b>
For the current period and for FY 2019-20 tax is charged @ 25.17% (i.e. 22% Basic Tax, 10% Surcharge on Basic Tax and 4% Cess on Basic Tax and Surcharge).		

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**NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****27 OPERATING SEGMENTS**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of operating segments, has been identified as Managing Director of the Company. The Company operates only in one business segment i.e. Services for distributions and sale of financial products within India, hence does not have any reportable segment as per Indian Accounting Standard 108 "operating segments"

**28 LEASES - Ind AS 116**

Effective April 1, 2019, the Company adopted Ind AS 116 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

On the date of initial application, the adoption of the new standard resulted in recognition of "Right to Use" asset (premises) of Rs. 3295.49 Lakh and a lease liability of Rs.3183.41 Lakh.

The incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.5%

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Following is the information pertaining to leases :

Particulars	31.03.2021	31.03.2020
(a) Depreciation Charge for Right-of-Use Asset	1,009.92	1,131.23
(b) Interest Expense on Lease Liability	174.95	260.40
(c) Expense relating to short term leases accounted in profit & loss	72.81	73.52
(d) Total Cash Outflow for Leases for the year (includes expense relating to short term lease and rent expense recognised)	1,109.38	1,283.18
(e) Additions to Right-of-Use Asset	-	3,443.50
(f) Deletions from Right-of-Use Asset (Gross Block)	373.13	-
(g) Deletions from Right-of-Use Asset (Provision for Depreciation)	362.84	-
(h) Carrying Amount of Right-of-Use Asset	1,292.06	2,312.27

The Company has applied Paragraph 46A of Ind AS 116 - Leases as amended by exposure draft on Covid - 19 related Rent Concessions. An amount of Rs. 88.28 lakhs is recognised in profit or loss for the period April 20 to March 21 in relation to the rent concessions received by the Company during this period.

Maturity Analysis of Lease Liabilities (on Undiscounted basis):

Due	(Rs in Lakh)	
	As at 31.03.2021	As at 31.03.2020
Not later than 1 year	871.52	1,132.09
Later than 1 year and not later than 5 years	684.57	1,560.39
Later than 5 years	-	-
<b>Total</b>	<b>1,556.09</b>	<b>2,692.49</b>

**29 RELATED PARTY DISCLOSURE****(a) List of Related Parties****(i) Subsidiary Companies**

AR Digital Wealth Private Limited  
Freedom Wealth Solutions Private Limited  
Freedom Intermediary Infrastructure Private Limited

**(ii) Entity of which the Company is an Associate**

Anand Rathi Financial Services Limited

**(iii) Key Managerial Persons (KMP)**

Amit Rathi, Managing Director  
Rakesh Rawal, Director & CEO  
Rajesh Bhutara, CFO  
Ashish Chauhan, Company Secretary (w.e.f 02-12-2019)  
Hardik Chauhan, Company Secretary (upto 28-11-2019)

<b>(iv) Other Related Parties</b>			
Anand Rathi Global Finance Limited			
Anand Rathi Share and Stock Brokers Limited			
Anand Rathi Commodities Limited			
Anand Rathi Insurance Brokers Limited			
Anand Rathi Advisors Limited (Subsidiary of Anand Rathi Global Finance Limited )			
Anand Rathi International Ventures (IFSC) Private Limited (Subsidiary of Anand Rathi Share and Stock Brokers Limited )			
AnandRathi Housing Finance Limited (Subsidiary of Anand Rathi Global Finance Limited )			
<b>(b) The following transactions were carried out with the related parties in the ordinary course of business:</b>			<b>(Rs in Lakh)</b>
Nature of Transaction/Relationship		FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>(i) Loan Given</b>			
Subsidiary		142.00	1,903.60
Other Related Parties		139,508.00	24,239.00
<b>(ii) Loan Repayment Received</b>			
Subsidiary		142.00	2,562.35
Other Related Parties		144,584.31	19,164.00
<b>(iii) Loan Taken</b>			
Entity of which the Company is an Associate		144,467.00	73,345.00
Other Related Parties		18,012.50	175,745.00
<b>(iv) Loan Repaid</b>			
Entity of which the Company is an Associate		144,467.00	73,345.00
Other Related Parties		18,012.50	175,745.00
<b>(v) Purchase of Debentures</b>			
Other Related Parties		269,123.63	262,117.79
<b>(vi) Sale of Debentures</b>			
Subsidiary		414.04	-
<b>(vii) Purchase of Investment</b>			
Subsidiary		-	2,598.95
<b>(viii) Purchase of Fresh Equity</b>			
Subsidiary		-	1,000.00
Other Related Parties		-	10,125.00
<b>(ix) Support Service Given</b>			
Subsidiary		7.84	13.41
Other Related Parties		97.11	83.48
<b>(x) Support Service Taken</b>			
Subsidiary		38.23	15.48
Entity of which the Company is an Associate		804.26	768.85
Other Related Parties		483.66	389.32
<b>(xi) Brokerage Expenses</b>			
Other Related Parties		15.57	1.03
<b>(xii) Interest Income</b>			
Subsidiary		-	101.45
Entity of which the Company is an Associate		0.22	-
Other Related Parties		221.14	1.46
<b>(xiii) Interest Expense</b>			
Entity of which the Company is an Associate		59.31	14.04
Other Related Parties		20.00	14.46
<b>(xiv) Rent Expenses</b>			
Entity of which the Company is an Associate		14.40	14.40
Other Related Parties		2.40	2.40

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(xv) Brand Charges		
Entity of which the Company is an Associate	126.91	162.10
(xvi) Rent Income		
Other Related Parties	0.60	0.60
(xvii) Referral fees		
Subsidiary	60.23	100.24
Other Related Parties	-	181.28
(xviii) Demat Charges		
Other Related Parties	21.22	-
(xix) Remuneration paid to KMP		
Short Term Employee Benefits	734.51	745.21
Share Based Payments	0.02	0.03
Post Employment Benefits *		
* The value of post employment benefit for all the employees is determined collectively by the appointed actuary and therefore not separately identifiable.		
		(Rs in Lakh)
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
(c) Outstanding Balances		
(i) Loan Given		
Other Related Parties	-	5,075.00
(ii) Other Payables		
Subsidiary	-	1.56
(iii) Interest Receivable		
Other Related Parties	-	1.31
(iv) Advance Received		
Other Related Parties	-	0.05
(v) Other Receivables		
Other Related Parties	4.44	-
<b>Note 1: Terms of Loan Given to related parties</b>		
Loan given to related parties at the interest rate in the range of 10% to 12% and it is receivable on demand.		
<b>Note 2: Related party relationships have been identified by the Management and relied upon by the Auditors.</b>		
		(Rs in Lakh)
<b>30 EARNING PER SHARE</b>	<b>FOR THE YEAR ENDED MARCH 31, 2021</b>	<b>FOR THE YEAR ENDED MARCH 31, 2020</b>
Net Profit after tax	4,418.99	7,127.80
Number of equity shares	27,513,560	27,027,440
Face Value Per Share (in Rs)	5	5
Weighted Average number of equity shares	27,278,833	26,996,183
Diluted Weighted Average number of equity shares	27,664,913	27,367,483
Earnings Per Share (in Rs)		
- Basic	16.20	26.40
- Diluted	15.97	26.04

31 SHARE BASED PAYMENTS

Employees Share Option Plans

The Employee Stock Option Scheme ('the Scheme') provides for grant of share options to the eligible employees and/or directors ("the Employees") of the Company and/or its subsidiaries. The Share Options are granted at an exercise price, which is either equal to the fair market price, or at a premium, or at a discount to market price as may be determined by the Board. Each Share Option converts into two equity shares of the Company.

**ESOP Scheme 2017**

During the financial year 2016-17, the Board had approved the Policy and the no. of options to be granted to the Employees that will vest in a graded manner and which can be exercised within a specified period. The Board had approved 3,20,000 Options at an exercise price of 10/- per option to the Employees.

The details of options are as under:

	FOR THE YEAR ENDED MARCH 31, 2021 (Nos.)	FOR THE YEAR ENDED MARCH 31, 2020 (Nos.)
Outstanding at the beginning of the year	187,860	256,000
Add: Granted during the year	-	-
Less: Exercised and shares allotted during the year	87,000	59,420
Less: Exercised but pending allotment	-	-
Less: Forfeited/cancelled during the year	-	-
Less: Lapsed during the year	9,510	8,720
Outstanding at the end of the year	91,350	187,860
Exercisable at the end of the year	-	-

**Fair Value of Options granted**

The estimated fair value of each stock option granted is 2.82 as on 1 January, 2017. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer. The model inputs the share price at respective grant dates, exercise price of Rs 10 per option, Standard Deviation of 52.44%, life of option being 6 months from date of grant, and a risk-free interest rate of 6.51%.

Standard deviation has been derived based on the one year historical numbers of the peer group companies adjusted with appropriate illiquidity discount.

The options granted on January 1, 2017 under ESOP 2017 have an exercise price of Rs. 10 per option and would vest over the period as under:

Options Granted (in Nos.)	Vesting Date
52,740	31.12.2017
11,260	31.03.2018
64,000	31.12.2018
96,000	31.12.2019
96,000	31.12.2020

**ESOP Scheme 2018**

During the financial year 2018-19, the Board had approved the Policy and the no. of options to be granted to the Employees that will vest in a graded manner and which can be exercised within a specified period. The Board has approved 1,30,050 options at an exercise price of Rs 10/- per option to the employees.

The details of options are as under:

	FOR THE YEAR ENDED MARCH 31, 2021 (Nos.)	FOR THE YEAR ENDED MARCH 31, 2020 (Nos.)
Outstanding at the beginning of the year	130,050	-
Add: Granted during the year	-	-
Less: Exercised and shares allotted during the year	26,010	-
Less: Exercised but pending allotment	-	-
Less: Forfeited/cancelled during the year	-	-
Less: Lapsed during the year	-	-
Outstanding at the end of the year	104,040	-
Exercisable at the end of the year	-	-

**Fair Value of Options granted**

The estimated fair value of each stock option granted is 4.63 as on 11th March 2019. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer. The model inputs the share price at respective grant dates, exercise price of Rs 10/- per option, Standard Deviation of 51.15%, life of option being 3 months from the date of grant, and a risk-free interest rate of 7.35%.

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The options were approved by the Board on March 11, 2019 under ESOP 2018 and were communicated to employees on 1st April 2020. ESOP 2018 has an exercise price of Rs 10 per option, and would vest over the period as under:

Options Granted (in Nos.)	Vesting Date
26,010	01.04.2020
26,010	01.04.2021
26,010	01.04.2022
26,010	01.04.2023
26,010	01.04.2024

Details of the commitments arising from the Share based payments were as follows:

Particulars	(Rs in Lakh)	
	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Total Carrying Amount of ESOP Outstanding	439.25	3.30
Amount debited Statement of Profit & Loss	647.93	2.65

**32 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on activities which are specified in Schedule VII of the Companies Act, 2013:

- Gross amount required to be spent by the Company during the year is 178.04 Lakhs
- Amount spent during the year on:

Particulars	(Rs in Lakh)		
	In Cash	Yet to be paid in cash	Total
1. Construction / acquisition of any asset	0	0	-
2. On purposes other than(1) above	178.78	-	178.78

**33 CAPITAL MANAGEMENT**

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to equity holders of company. The Company manages its capital to ensure that it continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company monitors capital using a gearing ratio. Capital gearing ratio of company is as follows :

	(Rs In Lakh)	
	March 31, 2021	March 31, 2020
Equity	1,375.68	1,351.37
Other Equity	26,601.23	21,154.98
<b>Total Equity (A)</b>	<b>27,976.91</b>	<b>22,506.35</b>
Borrowings	3,335.99	4,172.99
<b>Total Debt (B)</b>	<b>3,335.99</b>	<b>4,172.99</b>
<b>Total Debt and Equity (C=A+B)</b>	<b>31,312.91</b>	<b>26,679.34</b>
<b>Capital Gearing Ratio (B/C)</b>	<b>0.107</b>	<b>0.156</b>

**34 BUSINESS COMBINATIONS**

The Company had acquired following equity shares at fair value during earlier year(s). Purchase consideration for acquisition of shares in below mentioned entities was paid by mode of cash only. The acquisitions were made to enhance the presence in Wealth Management space. The other disclosures with respect to acquisition are as under.

AR Digital Wealth Private Limited (ARDWPL) is engaged in the business of Digital Wealth Management. The consideration paid for shares of ARDWPL in July 2016 is Rs. 252.00 lakh, in March 2018 is Rs. 690.25 lakh and in Financial Year 2018-2019 is Rs. 4204.81 lakh. The fair value per share for the aforesaid acquisitions is Rs. 10, Rs. 256 and Rs. 332(Average price of 3 lots purchased during the year) respectively.

Freedom Wealth Solutions Private Limited (FWSPL) is engaged in the business of Wealth Management. The consideration paid for shares of FWSPL in Sept 2017 is Rs. 237.16 lakh. The fair value per share for the aforesaid acquisitions is Rs. 10.

Ffreedom Intermediary Infrastructure Private Limited (FIINFRA) is engaged in the business of providing IT enabled services. The consideration paid for shares of FIINFRA in FY 2019-20 is Rs. 3598.95 lakh. The fair value per share for the aforesaid acquisitions is Rs. 434. 2,99,419 shares purchased on February 13,2020 and 299418 shares purchased on March 31, 2020 are acquired from AR Digital Wealth Private Limited and 2,30,415 shares purchased on March 31, 2020 are acquired in a Right issue by Ffreedom Intermediary Infrastructure Private Limited.

**ANAND RATHI WEALTH LIMITED**  
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CIN : U67120MH1995PLC086696  
NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Details of Share acquired/ (sold) is tabulated as below-

Name of Company	No. of Shares	% of Shares Acquired
<b>AR Digital Wealth Private Limited</b>		
July 13, 2016	2,520,000	60.30%
March 14, 2018	5,574	0.13%
March 16, 2018	170,246	4.07%
March 16, 2018	51,074	1.22%
March 16, 2018	39,157	0.94%
March 22, 2018	5,574	0.13%
May 3, 2018	58,361	1.40%
February 5, 2019	1,194,029	7.07%
March 27, 2019	13,044	0.24%
<b>Freedom Wealth Solutions Private Limited</b>		
September 25, 2017	2,371,625	95.01%
<b>Ffreedom Intermediary Infrastructure Private Limited</b>		
February 13, 2020	299,419	50.00%
March 31, 2020	299,418	36.11%
March 31, 2020	230,415	13.89%

35 The Company does not have any pending litigation which would impact its financial position.

36 The Company, as a process, reviews and ensures to make adequate provisions for material foreseeable loss, if any, on all long-term contracts. As on the reporting date there is no material foreseeable loss on any long-term contract. The Company has re-measured the derivative contracts to their fair value at the reporting date, as such there are no material foreseeable losses on derivative contracts.

**37 CAPITAL COMMITMENTS**

The company does not have any capital commitments.

**38 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 and March 31, 2020 has been made in the Ind AS Standalone Financial Statements based on information received and available with the Company.

(Rs in Lakh)

Particulars	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
The principal amount remaining unpaid to any supplier at the end of each accounting year;	8.15	34.25
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	<b>8.15</b>	<b>34.25</b>

## ANAND RATHI WEALTH LIMITED

(Previously Known as Anand Rathi Wealth Services Limited)

CIN : U67120MH1995PLC086696

NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 39 FINANCIAL INSTRUMENT - FAIR VALUES

## 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.

March 31, 2021	Carrying Amount	Fair value			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial assets</b>					
<b>FVTPL</b>					
(i) Mutual Fund	16.22	16.22	-	-	16.22
(i) Unquoted Debentures	836.19 (2,481.51)	-	-	836.19 (2,481.51)	836.19 (2,481.51)
(ii) PMS	251.62 (183.21)	156.07 (109.31)	-	95.55 (73.90)	251.62 (183.21)
(iii) Equity Shares of Other Companies	10,181.48 (10,131.75)	-	-	10,181.48 (10,131.75)	10,181.48 (10,131.75)
(v) Option Premium	- (409.23)	-	(409.23)	-	- (409.23)
<b>Amortised Cost</b>					
(i) Loans	- (5,095.98)	-	-	-	- -
(ii) Security Deposit	315.72 (415.22)	-	-	-	- -
(iii) Trade receivables	1,000.94 (799.19)	-	-	-	- -
(iv) Cash and cash equivalents	3,781.89 (2,596.31)	-	-	-	- -
(v) Other Financial Assets	619.41 (404.22)	-	-	-	- -
	<b>17,003.45</b> <b>(22,516.61)</b>	<b>172.28</b> <b>(109.31)</b>	<b>-</b> <b>(409.23)</b>	<b>11,113.22</b> <b>(12,687.16)</b>	<b>11,285.51</b> <b>(13,205.69)</b>

## ANAND RATHI WEALTH LIMITED

(Previously Known as Anand Rathi Wealth Services Limited)

CIN : U67120MH1995PLC086696

NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

					(Rs in Lakh)
March 31, 2021	Carrying Amount	Fair value			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial liabilities</b>					
<b>Amortised Cost</b>					
(i) Borrowings	3,335.99	-	-	-	-
	(4,172.99)	-	-	-	-
(ii) Trade payables	16.50	-	-	-	-
	(155.39)	-	-	-	-
(iii) Other Financial Liabilities	1,936.57	-	-	-	-
	(11,433.33)	-	-	-	-
	<b>5,289.06</b>	-	-	-	-
	<b>(15,761.71)</b>	-	-	-	-

Note 1 - Figures in brackets in the above table represent previous year numbers.

Valuation techniques used to determine the fair values:

- Listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.
- Discounted cash flow method has been used to determine the fair value of unquoted equity shares of other companies. The discount rate is used based on management estimates.
- The Company has made necessary adjustments to the observable and unobservable inputs used for the purpose of valuation
- The fair value of the quoted instruments are based on market price at the reporting date. The valuation of unquoted index options is done through Black and Scholes model. In case of unquoted instruments, unquoted debentures & PMS valuation is done on basis of discounted cash flow method.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2021 and March 31, 2020.

Particulars	Unquoted Debentures	PMS	Equity Shares in Other Companies
Opening Balance as on April 01, 2020	2,481.51	73.90	10,131.75
Acquisitions	457,753.05	-	-
Realised/unrealised Gains / (Losses) recognized	21,274.89	21.65	49.73
Realisations	480,673.25	-	-
Closing Balance as on March 31, 2021	836.19	95.55	10,181.48

Particulars	Unquoted Debentures	PMS	Equity Shares in Other Companies
Opening Balance as on April 01, 2019	1,034.02	-	-
Acquisitions	344,634.78	73.90	10,125.00
Gains / (Losses) recognized	21,796.03	-	6.75
Realisations	364,983.32	-	-
Closing Balance as on March 31, 2020	2,481.51	73.90	10,131.75

**ANAND RATHI WEALTH LIMITED****(Previously Known as Anand Rathi Wealth Services Limited)**

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**NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

## Sensitivity analysis of Level 3 instruments

Nature of instrument	Fair Value as at 31.03.2021	Significant unobservable inputs	Increase/decrease in the unobservable input	Sensitivity Impact for year ended 31.03.2021 for FV increase	Sensitivity Impact for year ended 31.03.2021 for FV decrease
(i) Unquoted Debentures	836.19	Impact estimated by the management.	5%	41.81	(41.81)
(ii) PMS	95.55		5%	4.78	(4.78)
(iii) Equity Shares of Other Companies	10,181.48		5%	509.07	(509.07)

Investment in Equity Shares of Subsidiaries of Rs. 8983.17 lakh (PY Rs. 8983.17 lakh) have been measured at cost.

- (i) The fair value of the financial assets and liabilities are included at the amount at which the instrument can be exchanged in the current transaction between willing parties, other than in a forced or liquidation sale.
- (ii) Financial instruments carried at amortised cost such as cash and margin money deposits, trade and other receivables, trade payables, borrowings and other current financial instruments approximate at their fair values largely due to short term maturities of these instruments.

**ANAND RATHI WEALTH LIMITED**

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**40 FINANCIAL INSTRUMENTS - RISK MANAGEMENT****Risk management framework**

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects on revenue. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining sufficient cash and marketable securities. The cash flows, funding requirements and liquidity of Company is regularly monitored by Management of the Company. The objective is to optimize the efficiency and effectiveness of Company's capital resources.

**Exposure to liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities

March 31, 2021	Contractual cash flows (Rs in Lakh)					
	Carrying amount	Total	On Demand	Less than 3 months	3-12 months	1-5 years
Borrowings	3,335.99	3,335.99	-	209.62	630.00	2,496.37
Trade Payables	16.50	16.50	-	16.50	-	-
Other Financial Liabilities	1,936.57	1,936.57	-	745.40	553.80	637.37

March 31, 2020	Contractual cash flows (Rs in Lakh)					
	Carrying amount	Total	On Demand	Less than 3 months	3-12 months	1-5 years
Borrowings	4,172.99	4,172.99	-	209.22	627.80	3,335.97
Trade Payables	155.39	155.39	-	155.39	-	-
Other Financial Liabilities	11,433.33	11,433.33	-	9,329.37	681.79	1,422.17

**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, security deposits and investment securities.

Customer credit risk is managed by company as per its policy, procedures and control relating to customer credit risk. Credit quality of a customer credit risk is assessed based on an extensive credit rating scoreboard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and all possible steps taken to timely realise them.

The credit risk on Fixed Deposits with Banks, Bank Balances, Investments in Mutual Fund and Derivative Financial Instruments is limited because the counterparties are Banks, Exchanges and Mutual Fund houses who are structured market players.

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

As on reporting date credit risk exposure are as on following:		(Rs in Lakh)	
		March 31, 2021	March 31, 2020
Loans		-	5,095.98
Security Deposit		315.72	415.22
Trade Receivables		1,000.94	799.19
Investment in Debentures		836.19	2,481.51
Investment in Mutual Funds		16.22	-
Option Premium		-	409.23
Investment in PMS		251.62	183.21
Margin Balance with Broker		-	-
Fixed Deposits with Banks		3,352.00	249.00
Bank Balances in Current Account		980.60	2,592.95
Staff Advances		42.09	146.75
Other Receivables		25.32	8.46
		(Rs in Lakh)	
<b>(i) AGE OF TRADE RECEIVABLES</b>		<b>March 31, 2021</b>	<b>March 31, 2020</b>
Within the credit period		977.00	782.69
1-30 days Past Dues		20.91	2.35
31-60 days Past Dues		2.70	14.00
61-90 days Past Dues		0.32	0.08
91-180 days Past Dues		-	-
More than 180 days past due		-	0.08
		<u>1,000.94</u>	<u>799.19</u>
		(Rs in Lakh)	
<b>(ii) MOVEMENT IN THE EXPECTED CREDIT LOSS ALLOWANCE</b>		<b>March 31, 2021</b>	<b>March 31, 2020</b>
Balance at end of the year		-	-
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit loss		-	-
Balance at end of the year		-	-
<b>Market Risk</b>			
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of risk: a.) Interest Rate Risk, b.) Currency Risk and c.) Other Price Risk such as equity price risk etc.			
<b>Interest rate risk</b>			
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt included in borrowings.			
<b>Sensitivity Analysis:</b>			
Particulars		As at 31st March 2021	
Floating Rate Liability		3312.84	
A hypothetical 1% shift in underlying benchmark rates will have the below impact:			
Impact on Profit and Loss			
Increase of 1%		(0.82)	
Decrease of 1%		0.82	

**ANAND RATHI WEALTH LIMITED**

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CIN : U67120MH1995PLC086696

NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**Price Risk**

The Company's Board of Directors reviews and approves all equity investment decisions. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

(Rs in Lakh)

Impact on Profit and Loss	Increase by 1%	Decrease by 1%
Investment in Mutual Fund	0.16	-0.16
Investment in PMS	2.52	-2.52
Investment in Other Entities	101.81	-101.81

At the reporting date, the exposure to equity securities of other entities is as under:

(Rs in Lakh)

March 31, 2021 March 31, 2020

	March 31, 2021	March 31, 2020
Investment in Mutual Fund	16.22	-
Investment in PMS	251.62	183.21
Investment in Other Entities	10,181.48	10,131.75

**Currency Risk**

Currency risk is not there, as the Company's primary business activities are within India and does not have significant exposure in foreign currency.

**41 Cost Sharing**

Anand Rathi Financial Services Ltd, Anand Rathi Global Finance Ltd, Anand Rathi Share & Stock Brokers Ltd, Anand Rathi Advisors Ltd and AR Digital Wealth Private Limited incurs expenditure in the nature of Business support costs, etc. which is for the benefit of the company. The cost so expended is reimbursed by the company on the basis of number of employees, time spent by employees, actual billings, etc. Accordingly, the expenditure noted under the head 'Business Support charges' in note 25 are inclusive of the reimbursements.

- 42 During the year 2019-20 company has capitalised office building amounting to Rs 6538.58 lakhs. During current year company has rectified the error and regrouped the amount capitalised to Capital work in progress.

**43 Estimation of uncertainties relating to the health pandemic from COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and economic forecasts and expects that the carrying amount of these assets will be recovered.

The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

- 44 The figures of the previous years have been regrouped / rearranged wherever necessary.

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of

Khimji Kunverji &amp; Co LLP

Chartered Accountants

Registration No.:105146W/W100621

Amit Rathi

Managing Director

DIN : 00029791

June 14, 2021

Rakesh Rawal

Director &amp; Chief Executive Officer

DIN : 02839168

June 14, 2021

Gautam V Shah

Partner

Membership No: 117348

Mumbai

Date: June 16, 2021

Ashish Chauhan

Company Secretary

June 14, 2021

Rajesh Bhutara

Chief Financial Officer

June 14, 2021

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Anand Rathi Wealth Limited (formerly known as Anand Rathi Wealth Services Limited)**

**Report on the Audit of the Consolidated Ind AS Financial Statements**

### **Opinion**

1. We have audited the accompanying Consolidated Ind AS Financial Statements ('CFS') of **Anand Rathi Wealth Limited** (formerly known as Anand Rathi Wealth Services Limited) ('the Holding Company') and its Subsidiaries (The Holding company and its Subsidiaries collectively referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss(including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on standalone financial statements, as applicable, the aforesaid CFS give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit , their consolidated total comprehensive income, consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

4. The Holding company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, and such other disclosures related Information, excluding the Standalone as well as Consolidated Ind AS Financial Statements and auditors report thereon ('Other Information'). The other information is expected to be made

available to us after the date of this auditors' report. Our opinion on the CFS does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the CFS, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the CFS or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'

### **Responsibility of Management for Consolidated Ind AS Financial Statements**

5. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these CFS that give a true and fair view of the consolidated financial position, consolidated financial performance(including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the CFS that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the CFS, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Holding Company are also responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

6. Our objectives are to obtain reasonable assurance about whether the CFS, 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 CFS.

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements 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.
- 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.

## **Other Matters**

7. The entire audit finalization process was carried from remote locations i.e. other than the office of the Company where books of account and other records are kept, based on data/details or financial information provided to us through digital medium, owing to lockdown imposed by the State Government to restrict the spread of COVID19. Being constrained, we resorted to and relied upon the results of the related alternate audit procedures to obtain sufficient and appropriate audit evidence for the significant matters in course of our audit. Our report is not modified in respect of this matter.
8. We did not audit the Financials Statements of three subsidiaries included in the CFS, whose financial statements reflect total assets of Rs. 7168.55 lakhs (before consolidation adjustments) as at March 31, 2021 and total income of Rs. 1805.9 Lakhs (before consolidation adjustments) and net cash inflows of 2520.8 lakhs for the year ended on that date as considered in the CFS. These Financial Statements have been audited by other auditors whose report has been furnished to us by the Management of the Company and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included pertaining to the Subsidiaries and our report in terms of provisions of sub section (3) and (11) of the Section 143 of the Act, in so far it relates to the aforesaid subsidiaries is based solely on the reports of the said auditors.
9. Our opinion on the CFS, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

10. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the CFS.
  - b. In our opinion, proper books of account as required by law relating to the preparation of the CFS have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditor.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the CFS.
  - d. In our opinion, the aforesaid CFS comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021, taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of the Subsidiaries incorporated in India,

none of the directors of the Group are disqualified as on March 31, 2021 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 Group and the operating effectiveness of such controls, refer to our separate Report in Annexure 1.
- g. In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, we report that the managerial remuneration paid by the Company to its Directors is in accordance with provisions of Section 197 read with Schedule V of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on Standalone Ind AS Financial Statements and other financial information of the Subsidiaries, we report as under:
  - (i) The Company has disclosed the impact of pending litigations on the financials position in its CFS. Refer Note no. 39 to the CFS;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There are no amounts, required to be transferred to the Investor Education and Protection Fund by the Group.

For **Khimji Kunverji & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 105146W / W-100621

**Gautam V Shah**

Partner

Membership No.: 117348

ICAI UDIN : 21117348AAAAAW6340

Place : Mumbai

Date : June 16, 2021

**Annexure 1 to the Independent Auditors' Report to the Members of Anand Rathi Wealth Limited**  
(formerly known as Anand Rathi Wealth Services Limited)  
[referred to in paragraph 10(f) under 'Report on Other Legal and Regulatory Requirements']

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements ('CFS') of the Company as of and for the year ended March 31, 2021, we report on internal financial controls over financial reporting of **Anand Rathi Wealth Limited** (formerly known as Anand Rathi Wealth Services Limited) ('the Holding Company') and its Subsidiaries (The Holding company and its Subsidiaries collectively referred to as the 'Group'), incorporated in India, as of that date.

**Opinion**

In our opinion and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiaries, which are companies incorporated in India, has an internal financial controls system over financial reporting, design whereof needs to be enhanced to make it comprehensive. Based on verification of process control matrixes, made available to us for the financial year under report and thereafter, in our opinion considering the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note, the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Group and nature of its business.

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

The respective Board of Directors of the Holding Company and its Subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 respective 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 ("the Act")

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 CFS, whether due to fraud or error

We believe that the audit evidence we have obtained and in terms of other auditor report referred to in paragraph of the Other Matters below, the audit evidence obtained by them, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the Subsidiaries, is based on the report of the auditors the Subsidiaries.

### **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:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of CFS in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the CFS.

### **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.

For **Khimji Kunverji & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 105146W / W-100621

**Gautam V Shah**

Partner

Membership No.: 117348

ICAI UDIN : 21117348AAAAAW6340

Place : Mumbai

Date : June 16, 2021

ANAND RATHI WEALTH LIMITED				
(Previously Known as Anand Rathi Wealth Services Limited)				
CIN : U67120MH1995PLC086696				
IND AS CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021				
(Rs in Lakh)				
SR. NO.	PARTICULARS	Notes	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
I	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	Property, Plant and Equipment	3	715.75	886.19
	Right-of-use Asset	3	1,292.06	2,625.90
	Capital Work in Progress	4	6,903.92	6,538.58
	Goodwill		290.11	290.11
	Other Intangible assets	5	3,218.34	3,732.96
	<b>Financial Assets</b>			
	- Investments	6(i)	10,181.48	10,131.75
	- Loan	7(i)	203.94	317.21
	- Other Financial assets	8(i)	223.20	199.00
	Deferred Tax Assets (Net)	9	415.20	462.18
	Other Non Current Assets	10	1,111.81	722.05
	<b>Total Non-Current Assets</b>		<b>24,555.81</b>	<b>25,905.93</b>
	<b>Current Assets</b>			
	<b>Financial Assets</b>			
	- Investments	6(ii)	267.84	183.21
	- Trade Receivables	11	1,086.54	911.35
	- Cash and cash equivalents	12	6,531.82	2,825.45
	- Bank balances other than above	13	4.66	4.33
	- Loans	7(ii)	115.33	6,668.26
	- Other Financial Assets	8(ii)	1,254.10	3,146.29
	Other Current Assets	14	158.70	1,334.88
	<b>Total Current Assets</b>		<b>9,418.99</b>	<b>15,073.77</b>
	<b>TOTAL ASSETS</b>		<b>33,974.80</b>	<b>40,979.70</b>
II	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Equity Share Capital	15	1,375.68	1,351.37
	Other Equity	16	22,781.76	17,283.53
	Non Controlling Interest	17	1,160.03	1,157.46
	<b>Total Equity</b>		<b>25,317.47</b>	<b>19,792.36</b>
	<b>Liabilities</b>			
	<b>Non-Current Liabilities</b>			
	<b>Financial Liabilities</b>			
	- Borrowings	18(i)	2,496.37	3,335.97
	- Other Financial Liabilities	20(i)	637.37	1,650.28
	Provisions	21(i)	116.41	30.48
	Deferred Tax Liabilities (Net)	9	-	-
	<b>Total Non-Current Liabilities</b>		<b>3,250.15</b>	<b>5,016.73</b>
	<b>Current Liabilities</b>			
	<b>Financial liabilities</b>			
	- Borrowings	18(ii)	839.62	837.02
	- Trade Payables	19		
	Total Outstanding dues of micro enterprises and small enterprises		8.15	34.25
	Total Outstanding dues of creditors other than micro enterprises and small enterprises		12.08	171.80
	- Other Financial Liabilities	20(ii)	1,347.18	10,056.56
	Other Current Liabilities	22	1,223.36	914.28
	Provisions	21(ii)	1,976.79	4,156.70
	<b>Total Current Liabilities</b>		<b>5,407.18</b>	<b>16,170.61</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,974.80</b>	<b>40,979.70</b>
	<b>Notes Forming Part of the Ind AS Consolidated Financial Statements</b>	1-50		
As per our attached report of even date.		For and on Behalf of Board of Directors		
<b>For and on Behalf of</b>		<b>Amit Rathi</b>	<b>Rakesh Rawal</b>	
<b>Khimji Kunverji &amp; Co LLP</b>		<b>Managing Director</b>	<b>Director &amp; Chief Executive Officer</b>	
Chartered Accountants		<b>DIN : 00029791</b>	<b>DIN : 02839168</b>	
Registration No.:105146W/W100621		June 14, 2021	June 14, 2021	
<b>Gautam V Shah</b>		<b>Ashish Chauhan</b>	<b>Rajesh Bhutara</b>	
<b>Partner</b>		<b>Company Secretary</b>	<b>Chief Financial Officer</b>	
<b>Membership No: 117348</b>		June 14, 2021	June 14, 2021	
Mumbai				
Date: June 16, 2021				

ANAND RATHI WEALTH LIMITED (Previously Known as Anand Rathi Wealth Services Limited) CIN : U67120MH1995PLC086696 IND AS CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2021				
(Rs in Lakh)				
SR. NO.	PARTICULARS	NOTES	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
I	Revenue From Operation	23	26,533.02	33,182.67
II	Other Income	24	1,391.83	460.05
	<b>Total Revenue</b>		<b>27,924.85</b>	<b>33,642.72</b>
III	Expenses:			
	Employee Benefits Expenses	25	15,075.48	16,720.18
	Finance Costs	26	288.98	328.47
	Depreciation and Amortisation Expenses	3 & 5	1,772.90	2,160.29
	Other Expenses	27	4,499.22	5,773.09
	<b>Total Expenses</b>		<b>21,636.58</b>	<b>24,982.03</b>
IV	Profit Before Tax		6,288.27	8,660.69
V	Tax Expenses:	28		
	1. Current Tax		1,594.81	2,581.29
	2. Prior Year Taxes		191.53	4.23
	3. Deferred Tax		46.98	(64.11)
	<b>Total Tax Expenses</b>		<b>1,833.32</b>	<b>2,521.42</b>
VI	<b>Profit for the year</b>		<b>4,454.95</b>	<b>6,139.27</b>
VII	Other Comprehensive Income/(Loss)			
	(A) (i) Items that will not be subsequently reclassified to profit or loss -Remeasurement of the net defined benefit liability		29.76	(106.66)
	(ii) Less : Income tax relating 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 relating to items that will be reclassified to profit or loss		-	-
	<b>Total Other comprehensive income/(loss) (Net of tax)</b>		<b>29.76</b>	<b>(106.66)</b>
	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>4,484.71</b>	<b>6,032.61</b>
	<b>Profit for the year attributable to :</b>			
	Owners of the Company		4,453.89	6,116.16
	Non- Controlling Interest		1.06	23.11
	<b>Other Comprehensive income for the year attributable to :</b>			
	Owners of the Company		28.25	(106.47)
	Non- Controlling Interest		1.51	(0.19)
	<b>Total Comprehensive income for the year attributable to :</b>			
	Owners of the Company		4,482.14	6,009.69
	Non- Controlling Interest		2.57	22.92
VIII	Earning Per Equity Share of Face Value of Rs. 5 each	33		
	Basic		16.33	22.66
	Diluted		16.10	22.35
	<b>Notes Forming Part of the Ind AS Consolidated Financial Statements</b>	1-50		
As per our attached report of even date.		For and on Behalf of Board of Directors		
<b>For and on Behalf of</b> <b>Khimji Kunverji &amp; Co LLP</b> Chartered Accountants Registration No.:105146W/W100621		<b>Amit Rathi</b> Managing Director DIN : 00029791 June 14, 2021	<b>Rakesh Rawal</b> Director & Chief Executive Officer DIN : 02839168 June 14, 2021	
<b>Gautam V Shah</b> Partner Membership No: 117348 Mumbai Date: June 16, 2021		<b>Ashish Chauhan</b> Company Secretary June 14, 2021	<b>Rajesh Bhutara</b> Chief Financial Officer June 14, 2021	

**ANAND RATHI WEALTH LIMITED**

(Previously Known as Anand Rathi Wealth Services Limited)

CIN : U67120MH1999PLC0086496

IND AS CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital	Nos.		Rs in Lakh	
	Equity shares of Rs 10 each issued, subscribed and fully paid at April 01, 2019	26,908,600		1,345.43
Shares Issued during the year for consideration of Rs 5 each	118,840		5.94	
Equity shares of Rs 5 each issued, subscribed and fully paid at March 31, 2020		27,027,440		1,351.37
Shares Issued during the year for consideration of Rs 5 each	486,120		24.31	
Equity shares of Rs 5 each issued, subscribed and fully paid at March 31, 2021		27,513,560		1,375.68

B. Other Equity	(Rs in Lakh)							
	Capital Reserve	Securities Premium	Retained Earnings	Share Options Outstanding	Other Comprehensive Income	Movement in Non Controlling Interest due to change in Shareholding	Total Other Equity attributable to Owners of the Company	Attributable to Non Controlling Interest
<b>Balance as at April 1, 2019</b>	249.54	2,520.03	10,606.52	2.47	(31.69)	(2,193.90)	11,152.97	1,252.76
Profit for the year	-	-	6,116.16	-	-	-	6,116.16	23.11
Reassessment of the net defined benefit liability/asset	-	-	-	-	(106.47)	-	(106.47)	(0.19)
<b>Total</b>	249.54	2,520.03	16,722.68	2.47	(138.16)	(2,193.90)	17,162.66	1,275.68
Issue of shares on premium	-	1.68	-	-	-	-	1.68	-
Movement in Non Controlling Interest due to change in Shareholding	-	-	-	-	-	118.22	118.22	(118.22)
<b>Total</b>	249.54	2,521.71	16,722.68	2.47	(138.16)	(2,075.68)	17,282.56	1,157.46
Addition in Share Options during the year	-	-	-	2.65	-	-	2.65	-
Less : Transferred to Securities Premium	-	-	-	(1.68)	-	-	(1.68)	-
Transfer on account of options not exercised	-	-	0.14	(0.14)	-	-	-	-
<b>Balance as at March 31, 2020</b>	249.54	2,521.71	16,722.82	3.30	(138.16)	(2,075.68)	17,283.53	1,157.46
<b>Balance as at April 1, 2020</b>	249.54	2,521.71	16,722.82	3.30	(138.16)	(2,075.68)	17,283.53	1,157.46
Profit for the year	-	-	4,453.89	-	-	-	4,453.89	1.06
Reassessment of the net defined benefit liability/asset	-	-	-	-	28.25	-	28.25	1.51
<b>Total</b>	249.54	2,521.71	21,176.71	3.30	(109.91)	(2,075.68)	21,765.67	1,160.03
Issue of shares on premium	-	1,267.77	-	-	-	-	1,267.77	-
Movement in Non Controlling Interest due to change in Shareholding	-	-	-	-	-	-	-	-
<b>Total</b>	249.54	3,789.48	21,176.71	3.30	(109.91)	(2,075.68)	23,033.44	1,160.03
Addition in Share Options during the year	-	-	-	647.93	-	-	647.93	-
Less : Transferred to Securities Premium	-	-	-	(211.77)	-	-	(211.77)	-
Less : Dividend Paid	-	-	(687.84)	-	-	-	(687.84)	-
Transfer on account of options not exercised	-	-	0.21	(0.21)	-	-	-	-
<b>Balance as at March 31, 2021</b>	249.54	3,789.48	20,489.08	439.25	(109.91)	(2,075.68)	22,781.76	1,160.03

As per our attached report of even date.	For and on Behalf of Board of Directors	
<b>For and on Behalf of</b> <b>Khimji Kunverji &amp; Co LLP</b> Chartered Accountants Registration No.:105146W/W100621	<b>Amit Rathi</b> Managing Director DIN : 00029791 June 14, 2021	<b>Rakesh Rawal</b> Director & Chief Executive Officer DIN : 02839168 June 14, 2021
<b>Gautam V Shah</b> Partner Membership No: 117348 Mumbai Date: June 16, 2021	<b>Ashish Chauhan</b> Company Secretary June 14, 2021	<b>Rajesh Bhutara</b> Chief Financial Officer June 14, 2021

ANAND RATHI WEALTH LIMITED (Previously Known as Anand Rathi Wealth Services Limited) CIN : U67120MH1995PLC086696 IND AS CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021		
(Rs in Lakh)		
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	6,288.27	8,660.69
Adjustment for :		
Depreciation	1,772.90	2,160.29
Interest Income	(511.93)	(140.82)
Finance Costs	288.98	328.47
Gain on Sale of Investments	(265.01)	(230.25)
Net Fair Value (Gain)/Loss on Financial Instruments	(147.66)	62.80
Dividend	(0.63)	(0.65)
Stock Compensation Expenses	647.93	2.65
(Gain) or Loss on Sale of Fixed Assets/Asset written off	-	1.41
(Gain)/Loss on Investment in PMS	-	(0.22)
Gratuity	115.16	85.02
Leave	45.07	131.36
Bad Debts written off	-	10.14
	<b>1,944.81</b>	<b>2,410.20</b>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<b>8,233.08</b>	<b>11,070.89</b>
Adjustment for :		
Decrease/(Increase) in Other Financial Assets	2,056.87	(2,130.57)
Decrease/(Increase) in Trade Receivables	(175.19)	179.87
Decrease/(Increase) in Other Current Assets	1,176.18	(982.91)
(Decrease)/Increase in Trade Payables	(185.82)	135.96
(Decrease)/Increase in Other Financial Liabilities	(8,590.20)	7,033.56
(Decrease)/Increase in Provisions	(2,224.44)	440.85
(Decrease)/Increase Other Current Liabilities	309.08	258.56
	<b>(7,633.52)</b>	<b>4,935.32</b>
CASH GENERATED FROM OPERATIONS	<b>599.56</b>	<b>16,006.21</b>
Add / ( Less ) :		
Direct Taxes Paid (Net)	(2,390.42)	(1,990.13)
NET CASH FROM OPERATING ACTIVITIES	<b>(1,790.86)</b>	<b>14,016.07</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Proceeds from Sale /(Purchase) of Property, Plant and Equipment	222.72	(4,980.88)
Dilution of NCI	-	0.01
Acquisition of Intangible Assets	-	(79.31)
Intangible Assets Under Development	-	(523.66)
Interest Income	473.71	98.23
Dividend received	0.63	0.65
Proceeds on sale of /(Payments to acquire) Investment	130.66	(2,590.99)
Advance paid for Purchase of property	(135.00)	(349.33)
Security Deposit (Given)/Received	179.86	(125.32)
(Loans Given)/Loan Repayment Received	6,486.34	(6,466.67)
Bank Deposits placed	(3.33)	(149.24)
NET CASH (USED IN)/ FROM INVESTING ACTIVITIES	<b>7,355.59</b>	<b>(15,166.51)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Borrowings (Repaid)/ Taken Net	(837.00)	4,113.31
Interest Paid	(288.98)	(63.77)
Issue of Shares	1,080.31	5.94
Dividend paid	(687.84)	-
Repayment of Lease Liabilities	(1,124.84)	(1,220.82)
NET CASH (USED IN)/ FROM FINANCING ACTIVITIES	<b>(1,858.35)</b>	<b>2,834.66</b>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<b>3,706.37</b>	<b>1,684.22</b>
CASH AND CASH EQUIVALENTS - at the beginning of the year	<b>2,825.45</b>	<b>1,141.23</b>
CASH AND CASH EQUIVALENTS - at the end of the year	<b>6,531.82</b>	<b>2,825.45</b>
<b>Details of Cash and Cash equivalents at the end of the year</b>		
- Cash in Hand	1.91	9.12
- Balance in Current Account	1,189.91	2,811.33
- Balance in Deposit Account	5,340.00	5.00
Total	<b>6,531.82</b>	<b>2,825.45</b>
Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 Statement of Cash flows.		
As per our attached report of even date. For and on Behalf of Board of Directors		
For and on Behalf of <b>Khimji Kunverji &amp; Co LLP</b> Chartered Accountants Registration No.: 105146W/W100621	<b>Amit Rathi</b> Managing Director DIN : 00029791 June 14, 2021	<b>Rakesh Rawal</b> Director & Chief Executive Officer DIN : 02839168 June 14, 2021
<b>Gautam V Shah</b> Partner Membership No: 117348 Mumbai Date: June 16, 2021	<b>Ashish Chauhan</b> Company Secretary June 14, 2021	<b>Rajesh Bhutara</b> Chief Financial Officer June 14, 2021

**ANAND RATHI WEALTH LIMITED****(Previously Known as Anand Rathi Wealth Services Limited)**

CIN : U67120MH1995PLC086696

NOTES TO IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**1 CORPORATE INFORMATION**

Anand Rathi Wealth Limited (the "Holding Company" or the "Company") (Formerly known as Anand Rathi Wealth Services Limited ) having CIN U67120MH1995PLC086696 was incorporated on March 22, 1995. On March 8, 2017, the Company was converted from Private Company to Public Company. With effect from January 7, 2021 the name of the company was changed from Anand Rathi Wealth Services Limited to Anand Rathi Wealth Limited. Its registered office is at Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon (E), Mumbai - 400 063, Maharashtra.

The Holding Company and its subsidiaries are engaged in the business of providing Services for Distribution and Sale of Financial Products. The Holding Company and its subsidiaries are together referred to as the "Group" and the Company and Holding Company is referred as Anand Rathi Wealth Limited.

**2 SIGNIFICANT ACCOUNTING POLICIES****(a) Statement of Compliance**

These Consolidated Financial Statements (hereinafter referred to as "financial statements") are prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act.

The financial statements were approved for issue by the Board of Directors of the Company at their meeting held on June 14, 2021.

**(b) Basis of preparation of Ind AS Consolidated Financial Statements**

These consolidated Financial Statements have been prepared on historical cost basis, except for certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 and leasing transactions that are within the scope of Ind AS 116.

The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year by the Company.

**Fair Value Measurement**

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

**(c) Principles of Consolidation**

The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions. Profits or losses resulting from intra-group transactions that are recognised in assets, such as Property, Plant and Equipment, are eliminated in full. The Consolidated Financial Statements have been prepared using uniform accounting policies.

Goodwill represents the difference between the Holding Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.

Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

**ANAND RATHI WEALTH LIMITED****(Previously Known as Anand Rathi Wealth Services Limited)**

CIN : U67120MH1995PLC086696

NOTES TO IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**(d) Critical Accounting Judgements and key Sources of Estimation Uncertainty**

The preparation of the Group's Ind AS Consolidated Financial Statements requires the Group's Management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

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

**(i) Amortisation of Customer relationship cost:** During the year 2016-17, the Holding company had acquired Private Wealth Management business from Religare Wealth Management Limited, for which the Company had made payment which was capitalised as Customer Relationship Cost. The Company expects that it will get future economic benefit of it over the period of 3 years.

**(ii) Depreciation / Amortisation and useful lives of property, plant and equipment:** The Group depreciates its tangible assets over the useful life of an Asset as prescribed under Part C of Schedule II of Companies Act, 2013. The Group remeasures remaining useful life of an asset at the end of each reporting date.

**(iii) Fair value measurement:** Fair Value is a price of orderly transaction between market participants at the measurement date under current market conditions. The Company determines Fair Value of Quoted Instruments from available market price. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**(iv) Provisions:** Provisions are recognized when there is a present obligation (legal or constructive) as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation. The Management estimates it by using its best judgement of future cash outflow.

**(v) Taxes:** The Group periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. For matters where it is probable that an adjustment will be made, the Group records its best estimates of the tax liability in the current tax provision. The Management believes that it has adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

**(vi) Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government securities.

**(vii) Leases:** The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**(e) Current and Non-Current Classification**

An asset shall be classified as current when it satisfies any of the following criteria:—

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
  - (b) it is held primarily for the purpose of being traded;
  - (c) it is expected to be realised within twelve months after the reporting date; or
  - (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- All other assets shall be classified as non-current.

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A liability shall be classified as current when it satisfies any of the following criteria:—

- (a) it is expected to be settled in the Group's normal operating cycle;
  - (b) it is held primarily for the purpose of being traded;
  - (c) it is due to be settled within twelve months after the reporting date; or
  - (d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities shall be classified as non-current.

**(f) Property, Plant and Equipment & Intangible Assets and Depreciation & Amortisation****Property, Plant and Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Direct costs in relation to the property, plant and equipment are capitalized until such assets are ready for use.

**(i) Tangible Assets:** Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased during a period is proportionately charged. The Management estimates the useful lives and residual values of the property, plant and equipment as prescribed under Part C of Schedule II of the Companies Act 2013 as follows.

<u>Fixed Assets</u>	<u>Useful Life</u>
Office Equipments	5 years
Computer Equipments	
a. Server	6 years
b. Other Computer Equipments	3 years
Vehicles	8 years
Furniture and Fixtures	10 years

**(ii)** Improvements on leased premises are depreciated over the lease period or useful life of the fixtures, whichever is lower.

**(iii) Intangible Assets:** Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any. Amortisation is recognised in profit & loss on a straight line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given hereunder:

Customer Relationship cost is amortised over the period of 3 years on the straight-line method.

Software of Holding Company is amortized over a period of 3 Years on the straight-line method.

Software (OFA Plus) of a subsidiary i.e. Ffreedom Intermediary Infrastructure Private Limited had been amortized over a period of 5 Years till FY 2018-19 and 7 years in FY 2019-20 and in the FY 2020-21 the same has been amortised for the period of 10 years. The estimation of amortisation period for software had been reviewed by Management during the current financial year and the amortisation period has been revised to 10 years accordingly.

Software of a subsidiary A R Digital Wealth Private Limited is amortized over a period of 7 Years on the straight-line method till FY 2019-20. The estimation of amortisation period for software had been reviewed by Management during the current financial year and the amortisation period has been revised to 10 years accordingly.

Trade mark of one of the subsidiary i.e. Ffreedom Intermediary Infrastructure Private Limited is amortized over a period of 10 Years on the straight-line method.

(iv) Capital work-in-progress comprises cost of property, plant and equipment that are not yet ready for their intended use as at the year end

**(g) Financial Instruments**

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

**Initial Recognition :**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

*(i) Classification & Subsequent Measurement of Financial Assets*

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Financial assets are classified as 'Amortised Cost', 'Fair Value through Profit and Loss' (FVTPL) and 'Fair Value through Other Comprehensive Income' (FVTOCI) on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Financial assets are classified in the following categories :

**Debt Instruments at amortised cost:** Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for those designated at FVTPL on initial recognition)

- the asset is held within a business model whose objective is to hold asset to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

**Debt Instruments at FVTOCI:** Debt instruments that meet the following conditions are subsequently measured at FVTOCI (except for those designated at FVTPL on initial recognition)

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

**Debt Instruments at FVTPL:** Any debt instrument which is either initially designated at FVTPL or which does not meet the criteria for amortised cost or FVTOCI is measured at FVTPL.

**Effective Interest Rate Method:** Interest income from security deposits and debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Equity Instruments at FVTOCI:** On initial recognition, the Group can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the instrument is held for trading. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investment.

**Financial Assets at FVTPL:** Investments in equity instruments are classified at FVTPL, unless they were irrevocably elected on initial recognition as FVOCI. Financial Assets at FVTPL are measured at Fair Value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

*(ii) Impairment of financial assets*

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost, FVOCI debt instruments, and other financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 44 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

*(iii) Derecognition of financial assets*

A financial asset is derecognised only when :

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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**NOTES TO IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021***(iv) Financial Liabilities:*

Financial liabilities which are held for trading or are designated at FVTPL are measured at fair value with changes being recognised in the Statement of Profit and Loss.

Financial liabilities that are not held for trading and are not designated as at FVTPL, are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

*(v) Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. A substantial modification in the terms of an existing financial liability is accounted as a discharge of original financial liability and recognition of new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised as profit or loss.

*(vi) Offsetting financial assets and liabilities*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right and ability to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**(h) Derivatives financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss.

**(i) Impairment of Assets**

Property, plant or equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent to those from other assets.

The Carrying Amount of Assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or have decreased.

**(j) Cash and cash equivalents**

(i) Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity upto three months, which are subject to insignificant risk of changes in value.

(ii) For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above, net of outstanding bank overdraft as they are considered as an integral part of the Group's cash management.

**(k) Borrowing Cost and Finance Charges**

Borrowing cost attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended use. Other borrowing cost are charged to the statement of profit and loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowings.

**(l) Leases**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**(m) Goodwill**

Goodwill arising out of Consolidation of financial statements of subsidiaries is tested for impairment at each reporting date.

**(n) Business Combination:**

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquire which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised in the Statement of Profit and Loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is termed as Gain on Bargain Purchase/Capital reserve.

**(o) Employee Benefits**

Defined Contribution plan - Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Group is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as a part of retirement benefits to its employees. The contributions during the period are charged to Statement of Profit and Loss. The Group recognizes contribution payable to the Provident Fund scheme as an expenditure when an employee renders related service.

Defined Benefit Plan - Gratuity, which is in the nature of Defined Benefit Schemes, are payable only to employees and accounted for on accrual basis. The Cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses are recognised in other comprehensive income in the period in which they occur and are not reclassified to the Statement of Profit and Loss.

The Holding Company has funded its Gratuity liability under group scheme with an Insurer. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of the scheme assets. Any asset resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the scheme.

Short Term Employee Benefits - The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include incentive and Annual Leave which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

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**(p) Revenue Recognition**

Ind AS 115 - The Group assesses the nature, timing and extent of revenue based on performance obligations in its contracts/understanding/trade customs with customers & clients.

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the amount can be reliably measured. Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts.

1. Income related with Distribution and sale of Financial product including Distribution income on Mutual Fund, Portfolio Management Service (PMS), Advisory activities, Referral fees, Gain/Loss on sale of Investment (Structured Product), Consultancy, Commission Income, Software license & Subscription fees and Marketing Support charges is accounted on accrual basis.
2. In respect of financial planning fees since entire work is done at the initial stage entire revenue is recognized at the time of contract
3. Dividend income is accounted for when the right to receive the income is established.
4. Difference between the sale price and the carrying value of investment is recognised as profit or loss on sale/ redemption on investment on trade date of transaction. Carrying value of investments is determined based on weighted average cost of investments sold.
5. Interest income is recognised on a time basis using the effective interest method.

**(q) Taxes on Income**

Current Tax: Provision for Income Tax is determined in accordance with the provisions of the Income Tax Act, 1961. Provision for Minimum Alternative Tax (MAT) is in accordance with the provisions of Section 115JB of the Income Tax Act, 1961.

Deferred Tax: Deferred tax is provided, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

**(r) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation.

Contingent Liabilities are possible but not probable obligations as on the Balance Sheet date, based on the available evidence. Contingent Liabilities are not recognised in the Ind AS Consolidated Financial Statements.

Contingent Assets are neither recognized nor disclosed.

**(s) Earning per share**

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

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

**(t) Foreign Currency transactions:**

Transactions in currencies other than the Group's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

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Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- exchange differences relating to qualifying effective cash flow hedges and qualifying net investment hedges in foreign operations which are recognised in OCI.

**(u) Cash Flow Statement**

Cash flow statement is prepared using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**(v) Share Based payment Arrangements**

Equity settled share based payments to employees and others are measured at the fair value of equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Holding Company's estimate of equity instrument that will eventually vest, with a corresponding increase in equity.

**(w) Rounding of amounts**

All amounts disclosed in the Ind AS Consolidated Financial Statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

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**IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**3 PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following:

								(Rs in Lakh)
Description	Right-of-Use Asset	Leasehold Improvements	Computer equipment	Vehicles	Office Equipments	Furniture & Fixtures	Total	
Gross Block as at April 1, 2020	3,767.94	52.36	601.68	164.43	92.39	362.57	5,041.37	
Additions	-	-	34.49	-	5.28	1.12	40.89	
Less : Disposals	697.57	-	5.99	-	-	0.50	704.06	
Gross Block as at March 31, 2021	3,070.37	52.36	630.18	164.43	97.67	363.19	4,378.20	
Accumulated depreciation as at April 1, 2020	1,142.04	6.30	226.08	53.24	36.80	64.82	1,529.28	
Depreciation for the year	1,047.77	4.97	133.98	19.53	17.47	34.58	1,258.30	
Less : Disposals	411.50	-	5.65	-	-	0.04	417.19	
Accumulated depreciation as at March 31, 2021	1,778.31	11.27	354.41	72.77	54.27	99.36	2,370.39	
Net carrying amount as at March 31, 2021	1,292.06	41.09	275.77	91.66	43.40	263.83	2,007.81	
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Description	Right-of-Use Asset	Leasehold Improvements	Computer equipment	Vehicles	Office equipments	Furniture & Fixtures	Total	
Gross Block as at April 1, 2019	-	52.36	319.24	164.43	85.70	322.55	944.28	
Additions	3,767.94	-	285.26	-	6.77	42.29	4,102.26	
Less : Disposals	-	-	2.82	-	0.08	2.27	5.17	
Gross Block as at March 31, 2020	3,767.94	52.36	601.68	164.43	92.39	362.57	5,041.37	
Accumulated depreciation as at April 1, 2019	-	1.31	107.94	33.66	20.07	33.54	196.52	
Depreciation for the year	1,142.04	4.99	119.21	19.58	16.78	31.89	1,334.49	
Less : Disposals	-	-	1.07	-	0.05	0.61	1.73	
Accumulated depreciation as at March 31, 2020	1,142.04	6.30	226.08	53.24	36.80	64.82	1,529.28	
Net carrying amount as at March 31, 2020	2,625.90	46.06	375.61	111.19	55.60	297.75	3,512.09	

**4 Capital Work in Progress**

Description	Building	Total
As at April 1, 2020	6,538.58	6,538.58
Additions	365.34	365.34
Less : Disposals	-	-
As at March 31, 2021	6,903.92	6,903.92
<hr/>		
Description	Building	Total
As at April 1, 2019	-	-
Additions	6,538.58	6,538.58
Less : Disposals	-	-
As at March 31, 2020	6,538.58	6,538.58

**5 OTHER INTANGIBLE ASSETS**

						(Rs in Lakh)
Description	OFA Plus*	Software	Trademark	Customer Relationship	Total	
Gross Block as at April 1, 2020	398.17	4,413.69	1.92	856.31	5,670.09	
Additions	-	-	-	-	-	
Less : Disposals	-	-	-	-	-	
Gross Block as at March 31, 2021	398.17	4,413.69	1.92	856.31	5,670.09	
Accumulated amortisation as at April 1, 2020	42.86	1,040.16	0.72	853.40	1,937.13	
Amortisation for the year	38.43	473.09	0.18	2.91	514.61	
Less : Disposals	-	-	-	-	-	
Accumulated amortisation as at March 31, 2021	81.29	1,513.25	0.90	856.31	2,451.75	
Net carrying amount as at March 31, 2021	316.87	2,900.44	1.02	-	3,218.34	
<hr/>						
Description	OFA Plus*	Software	Trademark	Customer Relationship	Total	
Gross Block as at April 1, 2019	-	1,042.57	1.92	856.31	1,900.80	
Additions	398.17	3,371.12	-	-	3,769.29	
Less : Disposals	-	-	-	-	-	
Gross Block as at March 31, 2020	398.17	4,413.69	1.92	856.31	5,670.09	
Accumulated amortisation as at April 1, 2019	-	509.50	0.53	601.29	1,111.32	
Amortisation for the year	42.86	530.66	0.18	252.11	825.81	
Less : Disposals	-	-	-	-	-	
Accumulated amortisation as at March 31, 2020	42.86	1,040.16	0.72	853.40	1,937.13	
Net carrying amount as at March 31, 2020	355.32	3,373.54	1.21	2.90	3,732.96	

\*OFA Plus- Omni Financial Advisor Plus

**6 INVESTMENTS**

(i) Investment - Non Current	AS AT MARCH	AS AT MARCH	AS AT MARCH	AS AT MARCH
	31, 2021	31, 2020	31, 2021	31, 2020
	Qty. in Nos.	Qty. in Nos.	Amount	Amount
<b>Un-Quoted - Fully Paid</b>				
Investment in Equity Shares of Other Companies at Fair Value through Profit and Loss Anand Rathi Global Finance Limited*	22,50,000	22,50,000	10,181.48	10,131.75
			<b>10,181.48</b>	<b>10,131.75</b>

\* During the FY 19-20, the Holding Company had purchased 22,50,000 shares of Anand Rathi Global Finance Limited for consideration of Rs. 10125.00 lakhs

Aggregate amount of Quoted Investment and market value thereof

Aggregate amount of Un-quoted Investment

Aggregate provision made for unquoted Investment

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		(Rs in Lakh)	
		AS AT MARCH 31, 2021 Amount	AS AT MARCH 31, 2020 Amount
(ii)	Investments - Current		
	<u>Quoted</u>		
	Investment in Mutual Fund and PMS at Fair Value through Profit and Loss		
	Franklin India Ultra Short Bond Fund - Super Institutional - Growth	12.31	-
	Franklin Low Duration Fund Growth Plan	3.06	-
	Franklin India Low Duration Fund - Direct - Growth	0.85	-
	Investment in PMS at Fair Value through Profit and Loss*	156.07	109.31
	<u>Unquoted</u>		
	Investment in PMS at Fair Value through Profit and Loss*	95.55	73.90
		<b>267.84</b>	<b>183.21</b>
	* The amount represents Investment in Portfolio which is managed by Anand Rathi Advisors Limited - PMS and includes equity shares, mutual fund units, debentures and other investments.		
	Aggregate amount of Quoted Investment and market value thereof	172.29	109.31
	Aggregate amount of Un-quoted Investment	95.55	73.90
<b>7</b>	<b>LOANS</b>		
			(Rs in Lakh)
(i)	Loans - Non current	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
	(Un Secured, Considered Good)		
	Security Deposits	203.94	317.21
		<b>203.94</b>	<b>317.21</b>
(ii)	Loans - Current	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
	(Un Secured, Considered Good)		
	Security Deposits - Rent	114.83	181.42
	Security Deposit - Telemarketing Primary Rate Interface Line	0.50	0.50
	(Un Secured, Considered Good)		
	Anand Rathi Advisors Ltd	-	5,076.31
	Anand Rathi Financial Services Limited	-	1,390.36
	Others	-	19.67
		<b>115.33</b>	<b>6,668.26</b>
<b>8</b>	<b>OTHER FINANCIAL ASSETS</b>		
			(Rs in Lakh)
(i)	Other Financial Assets - Non current	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
	Fixed Deposit with Bank*	202.00	199.00
	Staff Advances	21.20	-
		<b>223.20</b>	<b>199.00</b>
	* (Of the above Rs. 199 lakh is under Lien against Bank Overdraft)		
(ii)	Other Financial Assets - Current	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
	Option Premium (net)	-	409.23
	Accrued Interest	47.02	8.80
	Advance for Investment in Liquid Fund	-	50.00
	Fixed Deposit with Bank	350.00	50.00
	(Above Fixed Deposit is under Lien against Bank Overdraft)		
	<u>Securities Held as Stock in trade</u>		
	Un-Quoted - Fully Paid up		
	Debentures at Fair Value through Profit and Loss		
	In Anand Rathi Global Finance Limited Debenture	836.19	2,481.51
	Staff Advances	20.89	146.75
		<b>1,254.10</b>	<b>3,146.29</b>
	Aggregate amount of Un-quoted Debentures	836.19	2,481.51
<b>9</b>	<b>DEFERRED TAX ASSETS / (LIABILITIES)</b>		
			(Rs in Lakh)
	Depreciation	(220.32)	(100.05)
	Long Term Capital Loss	9.86	9.86
	Business Loss	499.18	400.84
	Leave Provision	91.91	80.59
	Gratuity Provision	5.34	7.89
	Fair Valuation of Financial Instruments	(31.68)	15.80
	MAT credit entitlements	-	0.76
	Impact on recognition of Right-of-use Asset and Lease Liability	60.91	46.49
		<b>415.20</b>	<b>462.18</b>

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		(Rs in Lakh)	
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>10</b>	<b>OTHER NON CURRENT ASSETS</b>		
	Capital Advances	135.00	349.33
	Advance Tax including Tax Deducted at Source	976.81	372.72
	Other Advances		
		1,111.81	722.05
			(Rs in Lakh)
<b>11</b>	<b>TRADE RECEIVABLES</b>		
	(Unsecured, Considered good)		
	Trade Receivables	1,086.54	911.35
		1,086.54	911.35
			(Rs in Lakh)
<b>12</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Balances with Banks		
	- in Current Accounts	1,189.91	2,811.33
	- in Deposit Accounts	5,340.00	5.00
	Cash on Hand	1.91	9.12
		6,531.82	2,825.45
			(Rs in Lakh)
<b>13</b>	<b>BANK BALANCES OTHER THAN AS PER NOTE 12</b>		
	In Deposit Accounts with Original Maturity of more than 3 Months & less than 12 months	4.66	4.33
		4.66	4.33
			(Rs in Lakh)
<b>14</b>	<b>OTHER CURRENT ASSETS</b>		
	(Unsecured, Considered good)		
	Accrued Interest	-	-
	Staff Advances	1.81	5.52
	Advances to Vendors	0.91	88.35
	Prepaid Expenses	81.83	40.58
	Advance Tax Including Tax Deducted at source	-	4.72
	TCS Recoverable	35.48	-
	Income Tax Refund Receivable	-	948.35
	Input tax credit receivable	33.81	130.54
	Advance to Others	4.01	116.82
	Others	0.85	-
		158.70	1,334.88
			(Rs in Lakh)
<b>15</b>	<b>EQUITY SHARE CAPITAL</b>		
	<b>Authorised</b>		
	4,00,00,000 (FY 18-19 - 4,00,00,000 of Rs.5/-each) Equity Shares of Rs.5/-each	2,000.00	2,000.00
		2,000.00	2,000.00
	<b>Issued, Subscribed and Paid Up</b>		
	2,75,13,560 (FY 19-20 - 2,70,27,440 Equity Shares of Rs 5/- each ) Equity Shares of Rs.5/-each Fully Paid Up	1,375.68	1,351.37
		1,375.68	1,351.37
<b>(i)</b>	<b>Reconciliation for No. of shares outstanding during the year</b>		
	<b>Equity Shares</b>		
	Shares outstanding at the beginning of the year	27,027,440	26,908,600
	Shares Issued during the year for consideration of Rs 5 each	486,120	118,840
	Shares outstanding at the end of the year	27,513,560	27,027,440
		1,351.37	1,345.43
		24.31	5.94
		1,375.68	1,351.37
			(Rs in Lakh)
	The face value of equity shares of the Company has been subdivided from Rs. 10 per equity share to Rs. 5 per equity share vide approval of shareholders in extraordinary general meeting held on 14 August 2018.		
<b>(ii)</b>	<b>Terms/Rights attached to the Equity Shares</b>		
	<b>Equity Shares</b>		
	The Company has only one class of shares referred to as Equity Shares having a face value of Rs 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.		
	In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.		
<b>(iii)</b>	<b>Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:</b>		
	<b>Name of Shareholders</b>		
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
		No. of shares held (of Rs 5 each)	No. of shares held (of Rs 5 each)
		% of Holdings	% of Holdings
	Anand Rathi Financial Services Limited	11,964,082	11,964,082
	Anand Rathi	3,658,260	3,658,260
	Pradeep Kumar Gupta	1,510,508	1,510,508
		43.48	44.27
		13.30	13.54
		5.49	5.59

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(iv) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	Bonus shares issued by the Company	Issue of shares for consideration other than cash	Shares bought back
March 31, 2020	-	-	-
March 31, 2019	-	-	-
March 31, 2018	-	-	-
March 31, 2017	-	-	-
March 31, 2016	6,230,464	-	-

(v) Share reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer Note No. 34

(Rs in Lakh)

**16 OTHER EQUITY**

	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>(a) Capital Reserve</b>		
Opening balance	249.54	249.54
Less: Changes during the year	-	-
Balance as at the end	<b>249.54</b>	<b>249.54</b>
<b>(b) Securities Premium</b>		
Opening balance	2,521.71	2,520.03
Less: Utilised for Bonus Issue	-	-
Add: Addition During the year	1,267.77	1.68
Balance as at the end	<b>3,789.48</b>	<b>2,521.71</b>
<b>(c) Share Options Outstanding Account</b>		
Opening Balance	3.30	2.47
Add: Addition during the year	647.93	2.65
Less: Transferred to Securities Premium	(211.77)	(1.68)
Less: Reversal during the year	(0.21)	(0.14)
Balance as at the end	<b>439.25</b>	<b>3.30</b>
<b>(d) Retained Earnings</b>		
Opening Balance	16,722.82	10,606.52
Add: Profit During the year	4,453.89	6,116.16
Add: Reversal of ESOP	0.21	0.14
Less: Dividend Paid	(687.84)	-
Balance as at the end	<b>20,489.08</b>	<b>16,722.82</b>
<b>(e) Other Comprehensive Income</b>		
Opening Balance	(138.16)	(31.69)
Remeasurement of defined employee benefit plan	28.25	(106.47)
Balance as at the end	<b>(109.91)</b>	<b>(138.16)</b>
<b>(f) Movement in Non Controlling Interest due to change in Shareholding</b>		
Opening balance	(2,075.68)	(2,193.90)
Add: Changes during the year	-	118.22
Balance as at the end	<b>(2,075.68)</b>	<b>(2,075.68)</b>
<b>TOTAL OTHER EQUITY</b>	<b>22,781.76</b>	<b>17,283.53</b>

**Nature & Purpose of Reserves :**
**Capital Reserve**

Capital Reserve is created at the time of acquisition of business, on account of net assets acquired in excess of the consideration paid to the acquire.

**Securities Premium**

Balance of Security premium consist on issue of share over its face value. The balance will be utilised for issue of as per provisions of Section 52 of the Companies Act,2013.

**Share Option Outstanding Account**

The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees.

**Retained earnings**

Retained earnings comprises of the of the amounts that can be distributed by the Company as dividends to its equity share holders.

**Other Comprehensive Income (OCI)**

OCI includes remeasurement of defined employee benefit plan on account of Actuarial Gains and Losses as per Ind AS 19 Employee Benefits.

(Rs in Lakh)

**17 Non Controlling Interest**

	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Opening Balance	1,157.46	1,252.76
Add: Share in Profit for the year	1.06	23.11
Add: Share in Other Comprehensive Income	1.51	(0.19)
Add: Change in Non Controlling Interest	-	(118.22)
	<b>1,160.03</b>	<b>1,157.46</b>

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		(Rs in Lakh)	
		AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>18</b>	<b>BORROWINGS</b>		
(i)	Borrowings - Non current		
	Term Loan - Loan against Property (Secured against 8th & 9th Floor (2nd & 3rd Office Floor), Block 'B' & 'C' of Wing E, Trade Link, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai) Terms of repayment - Repayable in 5 Years (20 quarters), last instalment falling due on March 18, 2025 The rate of interest will be I-MCLR 1 Year + Spread, determined at the date of disbursement and reset at end of every 12 months from the date of disbursement. The Company has made regular repayment of principal & interest due over the reporting period.	2,487.76	3,312.81
	Term Loan - Vehicle Loan (Secured against hypothecation of vehicle purchased)	8.61	23.16
	Terms of repayment - Repayable in 36 to 60 equal monthly instalments, last instalment falling due on March 02, 2020 to March 03, 2023. The rate of interest ranges between 8% to 11% p.a. The Company has made regular repayment of principal & interest due over the reporting period.		
		<b>2,496.37</b>	<b>3,335.97</b>
(ii)	Borrowings - Current		
	Current Maturity of Secured Loan from Banks		
	<b>Intercorporate Deposits from Related Party (unsecured)</b>		
	Term Loan - Loan against Property	825.07	823.34
	Term Loan - Vehicle Loan (Refer Note 18(i))	14.55	13.68
		<b>839.62</b>	<b>837.02</b>
	Terms of repayment - Repayable in 36 to 60 equal monthly instalments, last instalment falling due on March 02, 2020 to March 03, 2023. The rate of interest ranges between 8% to 11% p.a. The Company has not defaulted in repayment of principal & interest due over the reporting period.		
<b>19</b>	<b>TRADE PAYABLES</b>		
	Total outstanding dues of micro, small and medium enterprises *	8.15	34.25
	Total outstanding dues to other than micro, small and medium enterprises	12.08	171.80
		<b>20.23</b>	<b>206.05</b>
	* The above disclosure is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the Micro, Small and Medium Enterprise Development Act, 2006		
<b>20</b>	<b>OTHER FINANCIAL LIABILITIES</b>		
(i)	Other Financial Liabilities - Non Current		
	Lease Liability	637.37	1,650.28
		<b>637.37</b>	<b>1,650.28</b>
(ii)	Other Financial Liabilities - Current		
	Lease Liability	781.37	1,000.61
	Employee Benefit Payable	51.28	13.29
	Provision for Expenses	312.14	179.41
	Advance from Customers	202.39	8,863.25
		<b>1,347.18</b>	<b>10,056.56</b>
<b>21</b>	<b>PROVISIONS</b>		
(i)	Provisions - Non Current		
	<b>Employee Benefit Liabilities</b>		
	Gratuity Provision	116.41	30.48
		<b>116.41</b>	<b>30.48</b>
(ii)	Provisions - Current		
	<b>Employee Benefit Liabilities</b>		
	Gratuity Provision	0.36	186.59
	Leave Provision	365.18	320.11
	Incentive Provision	1,609.50	3,650.00
	Provision for Income Tax Net (AY 2021-22)	1.75	-
		<b>1,976.79</b>	<b>4,156.70</b>
<b>22</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory Dues	1,004.55	597.12
	Bank Overdraft	-	110.08
	Advance from Customer	217.83	206.95
	Advance Received	0.98	0.13
		<b>1,223.36</b>	<b>914.28</b>



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Particulars	(Rs in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>Amounts recognized in the Balance Sheet in respect of gratuity (funded by the company):</b>		
Present value of the funded defined benefit obligation at the end of the year	721.57	613.78
Fair value of plan assets	604.80	396.70
<b>Net Liability/(Asset)</b>	<b>116.77</b>	<b>217.08</b>
<b>Amounts recognized in Salary, Wages and Employee Benefits in the Profit and Loss Account in respect of gratuity (funded by the company):</b>		
Current Service cost	102.22	79.85
Interest on Defined Benefit Obligations	39.13	33.39
Expected return on plan assets	(26.18)	(24.87)
Past Service Cost - Vested Benefit recognised during the year	-	-
<b>Net Gratuity Cost</b>	<b>115.17</b>	<b>88.37</b>
<b>Amount recognized in Other Comprehensive Income (OCI)</b>		
Amount recognized in OCI in beginning of the year	142.10	35.44
<b>Remeasurement due to:</b>	-	-
<i>Effect of Change in financial assumptions</i>	23.97	27.17
<i>Effect of Change in demographic assumptions</i>	-	(1.48)
<i>Effect of experience adjustments</i>	26.31	57.46
<b>Actuarial (Gains)/Losses</b>	<b>50.28</b>	<b>83.15</b>
<b>Return on plan assets (excluding interest)</b>	<b>80.03</b>	<b>(23.50)</b>
<b>Total remeasurements recognized in OCI</b>	<b>(29.75)</b>	<b>106.66</b>
<b>Amount recognized in OCI, End of year</b>	<b>112.35</b>	<b>142.10</b>
<b>Actual Return on Plan Assets :</b>		
Expected Return on Plan Assets	26.18	24.87
Actuarial gain/(loss) on Plan Assets	80.03	(23.50)
<b>Actual Return on Plan Assets</b>	<b>106.21</b>	<b>1.37</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>		
<b>Change in present value of obligation:</b>		
Opening Defined Benefit Obligation	613.78	439.90
Current Service Cost	102.22	79.85
Interest Cost	39.13	33.39
Liability Transferred out	-	-
Actuarial (Gain)/loss	50.28	83.15
Benefits Paid / Reversals	(83.83)	(22.51)
Acquisition/Business Combination/Divestiture	-	-
Past Service Cost	-	-
<b>Closing Defined Benefit Obligation</b>	<b>721.57</b>	<b>613.78</b>

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**Change in fair value plan assets:**

Opening Fair Value of the plan assets	396.70	329.46
Expected return on plan assets	26.18	24.87
Actuarial (Gain)/loss	80.03	(23.50)
Contributions by the Employer	185.73	87.32
Benefits Paid	(83.83)	(21.45)
<b>Closing Fair value of the plan assets</b>	<b>604.80</b>	<b>396.70</b>

**Investment details of plan assets**

Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Insurer Managed Fund	100%	100%
Others	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Experience Adjustment**

Defined Benefit Obligation	721.57	613.78
Plan Assets	604.80	396.70
(Surplus)/deficit	116.77	217.08
Actuarial (Gains)/Losses on Obligations - Due to Experience	50.28	83.15
Actuarial (Gains)/Losses on Plan Assets - Due to Experience	80.03	(23.50)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**There are no amounts included in the fair value of plan assets for:**

- i) Company's own financial instrument
- ii) Property occupied by or other assets used by the company

**Discount Rate:**

Discount Rate for this valuation is based on Yield to Maturity(YTM) available on Government bonds having similar term to decrement-adjusted estimated term of liabilities.

For valuation as at March 31, 2021 the estimated term of liabilities is 14.72 years, corresponding to which YTM on government bonds is 6.90%, after rounding to nearest 0.05%.

**Expected rate of return on assets:**

It is the average long term rate of return expected on investments of the Trust Fund.

**Salary Escalation Rate:**

Salary escalation assumption is based on estimates of over all long-term salary growth rates after taking in to consideration expected earnings inflation as well as performance and seniority related increases.

**Withdrawal Rate:**

Assumptions regarding withdrawal rates is based on the estimates of expected long term employee turnover within the organization.

**Mortality Rate**

It is based on Indian Assured Lives Mortality (2006-08) Ult. as issued by Institute of Actuaries of India for the actuarial valuation.

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**General Description fair value of the plan:**

The holding company has Insurer Managed Fund.

**Principal Actuarial Assumptions:**

Discount rate	6.90%	6.60%
Salary Escalation Rate	5.00%	3.50%
Attrition Rate		
	<b>For Service 4 yrs. &amp; Below 20.00 % p.a. &amp; service 4 yrs. and above 2.00 % p.a.</b>	<b>For Service 4 yrs &amp; below 20% p.a. &amp; service above 4 yrs 2% p.a</b>
Retirement Age	60 years	60 years

**Sensitivity Analysis**

The sensitivity analyses have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognized in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

Defined Benefit Obligation (Base)	721.57	613.80
<b>Discount Rate</b>		
Increase by 50 bps	681.39	580.15
Impact of increase by 50 bps in Percentage	-5.57%	-5.48%
Decrease by 50 bps	765.45	650.47
Impact of decrease by 50 bps in Percentage	6.08%	5.97%
<b>Salary Growth Rate</b>		
Increase by 50 bps	736.62	627.57
Impact of increase by 50 bps in Percentage	2.09%	2.24%
Decrease by 50 bps	707.51	600.54
Impact of decrease by 50 bps in Percentage	-1.95%	-2.16%
<b>Expected contribution of holding company for the next financial year</b>	69.90	41.01
<b>Weighted Average duration of Holding Company</b>	14.26	12.95
<b>Maturity profile of defined benefit obligation</b>		
Within next 12 months	70.27	41.88
Between 1 and 5 Years	119.51	138.37
Between 5 and 10 Years	244.64	167.76

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**Asset Liability Matching Strategy**

The Holding Company has funded its gratuity liability. The money contributed by the Holding Company to the Gratuity fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to an Insurance Company. The Insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.

There is no compulsion on the part of the Group to fully prefund the liability of the Plan. The Group's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

**B Defined Contribution Plans**

Amount recognized as an expense under the head Contribution to Provident and other Funds in note 25 Employee Benefit Expenses of Statement of Profit and Loss towards Group's Contribution to Provident Fund is Rs 706.45 Lakhs (FY 2019-20 Rs 737.12 Lakhs).

		(Rs in Lakh)	
		FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>26</b>	<b>FINANCE COSTS</b>		
	Interest Expense	288.98	328.47
		<b>288.98</b>	<b>328.47</b>
		(Rs in Lakh)	
		FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>27</b>	<b>OTHER EXPENSES</b>		
	Business Support Charges	964.33	865.18
	Data Processing and IT enabled services	674.75	691.87
	Legal & Professional Charges	154.06	235.03
	Director Sitting Fees	9.75	7.75
	Bad Debts	60.26	-
	Electricity Expenses	65.41	79.10
	Communication Expenses	196.65	95.09
	Printing and Stationery	114.23	181.40
	Postage and Telegram	20.56	43.67
	Rent, Rates and Taxes	103.50	89.02
	Repairs and Maintenance	90.07	147.31
	Recruitment & Training	97.96	76.79
	Business Promotion and Marketing Expenses	524.47	1,673.90
	Computer & Software Maintenance Charges	87.75	44.09
	Client Claim	96.45	57.14
	Travelling & Conveyance Expenses	135.98	598.84
	Insurance Charges	72.73	60.24
	Office Expenses	131.97	121.37
	Brand Charges	126.91	162.10
	Auditors Remuneration		
	Audit Fees	14.08	16.21
	Other Services/Certification	1.85	2.00
	Donation	105.85	220.71
	CSR Expenses	178.78	114.00
	Transaction Charges	157.38	14.86
	Sebi Settlement Charges	14.63	-
	Miscellaneous & General Expenses	298.86	175.42
		<b>4,499.22</b>	<b>5,773.09</b>

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		(Rs in Lakhs)	
28 INCOME TAX EXPENSE		FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
<b>Current Tax</b>			
Current tax on profit for the year		1,594.81	2,581.29
Prior Year Taxes		191.53	4.23
<b>Total Current tax expenses</b>		<b>1,786.34</b>	<b>2,585.53</b>
<b>Deferred Tax</b>			
Decrease / (Increase) in deferred tax assets		(1.26)	(18.17)
(Decrease) / Increase in deferred tax liabilities		47.48	(46.87)
MAT credit		0.76	0.93
<b>Total deferred tax expenses / benefit</b>		<b>46.98</b>	<b>(64.11)</b>
<b>Total Income Tax Expenses charged to Profit &amp; Loss</b>		<b>1,833.32</b>	<b>2,521.42</b>
<b>Effective Tax Rate Reconciliation</b>			
Particulars		FOR THE YEAR ENDED MARCH 31, 2021	FOR THE YEAR ENDED MARCH 31, 2020
Applicable Tax Rate (%)		25.17	25.17
Profit before tax		6,288.27	8,660.69
Tax Expenses as per above rate		1,582.72	2,179.78
Expenses Disallowed		80.92	89.06
Exempt Income		(8.84)	(8.64)
Items not offered for tax in earlier years		-	2.57
Net impact on adoption of new tax rate (net)		-	38.50
Deductions u/s 80G & 35AC		(13.29)	(27.77)
Tax effect due to Intercompany adjustments		-	270.29
Effect of Differential Tax Rate for subsidiary		-	0.01
On Account of Previous Year Adjustments		191.45	4.24
Others		0.36	(26.63)
<b>Total Tax Expenses Recognised</b>		<b>1,833.32</b>	<b>2,521.42</b>
<b>Effective Tax Rate</b>		<b>29.15</b>	<b>29.11</b>

For the current period tax is charged @ 25.17% (i.e. 22% Basic Tax, 10% Surcharge on Basic Tax and 4% Cess on Basic Tax and Surcharge). For last financial year applicable tax rate was 25.17% (i.e. 22% Basic Tax, 10% Surcharge on Basic Tax and 4% Cess on Basic Tax and Surcharge).

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**IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****29 Basis of Consolidation**

The Ind AS Consolidated Financial Statements are comprised of the financial statements of the members of the Group as under:

Name of the Subsidiary Companies	Principal place of Business	Effective Percentage Shareholding	
		As at 31.03.2021	As at 31.03.2020
i) AR Digital Wealth Private Limited (ARDWPL)	India	75.51%	75.51%
ii) Freedom Wealth Solutions Private Limited (FWSPL)	India	95.00%	95.00%
iii) Ffreedom Intermediary Infrastructure Private Limited (FIINFRA)	India	100.00%	100.00%

**30 OPERATING SEGMENTS**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of operating segments, has been identified as Managing Director of the Group. The Group operates only in one business segment i.e. Services for distributions and sale of financial products within India, hence does not have any reportable segment as per Indian Accounting Standard 108 "operating segments"

**31 LEASE**

Effective April 1, 2019, the Group adopted Ind AS 116 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

On the date of initial application, the adoption of the new standard resulted in recognition of "Right to Use" asset (premises) of Rs. 3295.49 Lakh and a lease liability of Rs.3183.41 Lakh.

The incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.5%

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

**Following is the information pertaining to leases for the year ended**

Particulars	March 31, 2021	March 31, 2020
(a) Depreciation Charge for Right-of-Use Asset	1,047.77	1,142.04
(b) Interest Expense on Lease Liability	180.59	261.62
(c) Expense relating to short term leases accounted in profit & loss	72.81	90.12
(d) Total Cash Outflow for Leases for the year (Includes expense relating to short term lease also)	1,148.44	1,296.54
(e) Additions to Right-of-Use Asset	-	3,767.94
(f) Deletions from Right-of-Use Asset (Gross Block)	697.57	-
(g) Deletions from Right-of-Use Asset (Provision for Dep)	411.50	-
(h) Carrying Amount of Right-of-Use Asset	1,292.06	2,625.90

The Company has applied Paragraph 46A of Ind AS 116 - Leases as amended by exposure draft on Covid - 19 related Rent Concessions. An amount of Rs. 88.28 lakhs is recognised in profit or loss for the period April 20 to March 21 in relation to the rent concessions received by the Company during this period.

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**Maturity Analysis of Lease Liabilities (on Undiscounted basis) :**

(Rs in Lakh)

Due	As at 31.03.2021	As at 31.03.2020
Not later than 1 year	871.52	1,199.39
Later than 1 year and not later than 5 years	684.57	1,831.16
Later than 5 years	-	-
<b>Total</b>	<b>1,556.09</b>	<b>3,030.55</b>

**32 RELATED PARTY DISCLOSURE****(a) List of Related Parties****(i) Entity of which the Holding Company is an Associate**

Anand Rathi Financial Services Limited

**(ii) Key Managerial Persons**

Amit Rathi, Managing Director

Rakesh Rawal, Director &amp; CEO

Rajesh Bhutara, CFO

Ashish Chauhan, Company Secretary (w.e.f 02-12-2019)

**(iii) Other Related Parties :**

Anand Rathi Global Finance Limited

Anand Rathi Share and Stock Brokers Limited

Anand Rathi Commodities Limited

Anand Rathi Insurance Brokers Limited

Anand Rathi Advisors Limited

(Subsidiary of Anand Rathi Global Finance Limited )

Anand Rathi International Ventures (IFSC) Private Limited

(Subsidiary of Anand Rathi Share and Stock Brokers Limited )

AnandRathi Housing Finance Limited

(Subsidiary of Anand Rathi Global Finance Limited)

**(b) The following transactions were carried out with the related parties in the ordinary course of business:**

(Rs in Lakhs)

Nature of Transaction/Relationship	FOR THE YEAR	FOR THE YEAR
	ENDED MARCH	ENDED MARCH
	31,2021	31,2020
<b>(i) Loan Given</b>		
Entity of which the Company is an Associate	4,048.62	1,390.00
Other Related Parties	139,508.00	24,239.00
<b>(ii) Loan Repayment Received</b>		
Entity of which the Company is an Associate	5,438.73	-
Other Related Parties	144,584.31	19,164.00
<b>(iii) Loan Taken</b>		
Entity of which the Company is an Associate	144,467.00	73,345.00
Other Related Parties	18,012.50	175,745.00
<b>(iv) Loan Repaid</b>		
Entity of which the Company is an Associate	144,467.00	73,345.00
Other Related Parties	18,012.50	175,745.00
<b>(v) Purchase of Debentures</b>		
Other Related Parties	270,365.63	262,117.79
<b>(vi) Purchase of Fresh Equity</b>		
Other Related Parties	-	10,125.00

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<b>(vii) Support Service Given</b>		
Other Related Parties	97.11	83.79
<b>(viii) Support Service Taken</b>		
Entity of which the Company is an Associate	804.26	768.85
Other Related Parties	521.97	521.96
<b>(ix) Brokerage Expenses</b>		
Other Related Parties	15.57	1.03
<b>(x) Interest Income</b>		
Entity of which the Company is an Associate	168.28	0.36
Other Related Parties	243.99	1.46
<b>(xi) Interest Expense</b>		
Entity of which the Company is an Associate	59.31	14.04
Other Related Parties	20.00	14.46
<b>(xii) Rent Expense</b>		
Entity of which the Company is an Associate	14.40	14.40
Other Related Parties	3.00	2.40
<b>(xiii) Brand Charges</b>		
Entity of which the Company is an Associate	126.91	162.10
<b>(xiv) Rent Income</b>		
Entity of which the Company is an Associate		
Other Related Parties	0.60	0.60
<b>(xv) Referral fees</b>		
Other Related Parties	-	291.37
<b>(xvi) Demat Charges</b>		
Other Related Parties	21.22	-
<b>(xvi) Remuneration paid to KMP</b>		
Short Term Employee Benefits	843.71	745.21
Share Based Payments	0.02	0.03
Post Employment Benefits *		-

\* The value of post employment benefit for all the employees is determined collectively by the appointed actuary and therefore not separately identifiable.

	AS AT MARCH 31, 2021	(Rs in Lakhs) AS AT MARCH 31, 2020
<b>(c) Outstanding Balances</b>		
<b>(i) Loan Given</b>		
Entity of which the Company is an Associate	-	1,390.00
Other Related Parties	-	5,075.00
<b>(ii) Interest Receivables</b>		
Entity of which the Company is an Associate	-	0.36
Other Related Parties	-	1.31
<b>(iii) Advance Received</b>		
Other Related Parties	-	0.05
<b>(iv) Other Receivables</b>		
Other Related Parties	4.44	-

**Note 1: Terms of Loan Given to related parties**

Loan given to related parties at the interest rate in the range of 10% to 12% and it is receivable on demand.

**Note 2:** Related party relationships have been identified by the Management and relied upon by the Auditors.

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**IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

<b>33 EARNINGS PER SHARE</b>	<b>FOR THE YEAR ENDED MARCH 31,2021</b>	<b>FOR THE YEAR ENDED MARCH 31,2020</b>
Net Profit after tax	4,453.89	6,116.16
Number of equity shares	27,513,560	27,027,440
Face Value Per Share (in Rs)	5	5
Weighted Average number of equity shares	27,278,833	26,996,183
Diluted Weighted Average number of equity shares	27,664,913	27,367,483
Earnings Per Share (in Rs)		
- Basic	16.33	22.66
- Diluted	16.10	22.35

**34 SHARE BASED PAYMENTS****Employees Share Option Plans**

The Employee Stock Option Scheme ('the Scheme') provides for grant of share options to the eligible employees and/or directors ("the Employees") of the Company and/or its subsidiaries. The Share Options are granted at an exercise price, which is either equal to the fair market price, or at a premium, or at a discount to market price as may be determined by the Board. Each Share Option converts into two equity shares of the Holding Company.

**ESOP Scheme 2017**

During the financial year 2016-17, the Board had approved the Policy and the no. of options to be granted to the Employees that will vest in a graded manner and which can be exercised within a specified period. The Board had approved 3,20,000 Options at an exercise price of 10/- per option to the Employees.

**The details of options are as under:**

	<b>FOR THE YEAR ENDED MARCH 31, 2021 (Nos.)</b>	<b>FOR THE YEAR ENDED MARCH 31, 2020 (Nos.)</b>
Outstanding at the beginning of the year	187,860	256,000
Add: Granted during the year	-	-
Less: Exercised and shares allotted during the year	87,000	59,420
Less: Exercised but pending allotment	-	-
Less: Forfeited/cancelled during the year	-	-
Less: Lapsed during the year	9,510	8,720
Outstanding at the end of the year	91,350	187,860
Exercisable at the end of the year	-	-

**Fair Value of Options granted**

The estimated fair value of each stock option granted is 2.82 as on 1 January, 2017. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer. The model inputs the share price at respective grant dates, exercise price of Rs 10 per option, Standard Deviation of 52.44%, life of option being 6 months from date of grant, and a risk-free interest rate of 6.51%.

Standard deviation has been derived based on the one year historical numbers of the peer group companies adjusted with appropriate illiquidity

The options granted on January 1, 2017 under ESOP 2017 have an exercise price of Rs. 10 per option and would vest over the period as under:

<b>Options Granted (in Nos.)</b>	<b>Vesting Date</b>
52,740	31.12.2017
11,260	31.03.2018
64,000	31.12.2018
96,000	31.12.2019
96,000	31.12.2020

**ESOP Scheme 2018**

During the financial year 2018-19, the Board had approved the Policy and the no. of options to be granted to the Employees that will vest in a graded manner and which can be exercised within a specified period. The Board has approved 1,30,050 options at an exercise price of Rs 10/- per option to the employees.

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The details of options are as under:

	FOR THE YEAR ENDED MARCH 31, 2021 (Nos.)	FOR THE YEAR ENDED MARCH 31, 2020 (Nos.)
Outstanding at the beginning of the year	130,050	-
Add: Granted during the year	-	-
Less: Exercised and shares allotted during the year	26,010	-
Less: Exercised but pending allotment	-	-
Less: Forfeited/cancelled during the year	-	-
Less: Lapsed during the year	-	-
Outstanding at the end of the year	104,040	-
Exercisable at the end of the year	-	-

**Fair Value of Options granted**

The estimated fair value of each stock option granted is 4.63 as on 11th March 2019. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer. The model inputs the share price at respective grant dates, exercise price of Rs 10/- per option, Standard Deviation of 51.15%, life of option being 3 months from the date of grant, and a risk-free interest rate of 7.35%.

The options were approved by the Board on March 11, 2019 under ESOP 2018 and were communicated to employees on 1st April 2020. ESOP 2018 has an exercise price of Rs 10 per option, and would vest over the period as under:

Options Granted (in Nos.)	Vesting Date
26,010	01.04.2020
26,010	01.04.2021
26,010	01.04.2022
26,010	01.04.2023
26,010	01.04.2024

Details of the commitments arising from the Share based payments were as follows:

Particulars	(Rs in Lakh)	
	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Total Carrying Amount	439.25	3.30
Amount debited Statement of Profit & Loss	647.93	2.65

**35 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

A CSR committee has been formed by the Holding Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

- a) Gross amount required to be spent by the Company during the year is 178.04 Lakhs.
- b) Amount spent during the year on:

Particulars	In Cash	Yet to be paid in cash	(Rs in Lakhs)
			Total
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than(1) above	178.78	-	178.78

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**IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****36 CAPITAL MANAGEMENT**

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group. The Group manages its capital to ensure that it continues as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group monitors capital using a gearing ratio. Capital gearing ratio of the Group is as follows :

	FOR THE YEAR ENDED MARCH 31, 2021 (Nos.)	(Rs in Lakhs) FOR THE YEAR ENDED MARCH 31, 2020 (Nos.)
Equity	1,375.68	1,351.37
Other Equity	22,781.76	17,283.53
Non Controlling Interest	1,160.03	1,157.46
<b>Total Equity (A)</b>	<b>25,317.47</b>	<b>19,792.36</b>
Borrowings	3,335.99	4,172.99
<b>Total Debt (B)</b>	<b>3,335.99</b>	<b>4,172.99</b>
<b>Total Debt and Equity (C=A+B)</b>	<b>28,653.46</b>	<b>23,965.35</b>
<b>Capital Gearing Ratio (B/C)</b>	0.116	0.174

**37 Business Combinations**

The Holding Company had acquired following equity shares at fair value in earlier year(s). Purchase consideration for acquisition of shares in below mentioned entities was paid by mode of cash only. The acquisitions were made to enhance the presence in Wealth Management space. The other disclosures with respect to acquisition are as under.

AR Digital Wealth Private Limited (ARDWPL) is engaged in the business of Digital Wealth Management. The consideration paid for shares of ARDWPL in July 2016 is Rs. 252.00 lakh, in March 2018 is Rs. 690.25 lakh and in Financial Year 2018-2019 is Rs. 4204.81 lakh. The fair value per share for the aforesaid acquisitions is Rs. 10, Rs. 256 and Rs. 332(Average price of 3 lots purchased during the year) respectively.

Freedom Wealth Solutions Private Limited (FWSP) is engaged in the business of Wealth Management. The consideration paid for shares of FWSP in Sept 2017 is Rs. 237.16 lakh. The fair value per share for the aforesaid acquisitions is Rs. 10.

Ffreedom Intermediary Infrastructure Private Limited (FIINFRA) is engaged in the business of providing IT enabled services. The consideration paid for shares of FIINFRA in FY 2019-20 is Rs. 3598.95 lakh. The fair value per share for the aforesaid acquisitions is Rs. 434.

2,99,419 shares purchased on February 13, 2020 and 299418 shares purchased on March 31, 2020 are acquired from AR Wealth Management Private Limited and 2,30,415 shares purchased on March 31, 2020 are acquired in a Right issue by Ffreedom Intermediary Infrastructure Private Limited.

Details of Share acquired/(sold) is tabulated as below-

Name of Company	No. of Shares	% of Shares Acquired
<b>AR Wealth Management Private Limited</b>		
July 13, 2016	2,520,000	60.30%
March 14, 2018	5,574	0.13%
March 16, 2018	170,246	4.07%
March 16, 2018	51,074	1.22%
March 16, 2018	39,157	0.94%
March 22, 2018	5,574	0.13%
May 3, 2018	58,361	1.40%
February 5, 2019	1,194,029	7.07%
March 27, 2019	13,044	0.24%
<b>Freedom Wealth Solutions Private Limited</b>		
Sept 25, 2017	2,371,625	95.01%
<b>Ffreedom Intermediary Infrastructure Private Limited</b>		
February 13, 2020	299,419	50.00%
March 31, 2020	299,418	36.11%
March 31, 2020	230,415	13.89%

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At the time of acquisition of business, investment made in equity shares of acquiree over and above net assets of acquiree company is treated as Goodwill and net assets acquired in excess of the consideration paid to the acquiree is treated as Capital Reserve. Details of Goodwill and Capital Reserve is as below :

	(Rs in Lakhs)		
	ARDWPL	FIINFRA	Total
Consideration Paid	252.00	25.00	277.00
Less: Net Assets Acquired	249.51	(262.62)	(13.11)
<b>Goodwill</b>	<b>2.49</b>	<b>287.62</b>	<b>290.11</b>

	(Rs in Lakhs)	
	FWSP	FWSP
Net Assets Acquired		330.29
Less : Consideration Paid		80.75
<b>Capital Reserve</b>		<b>249.54</b>

Total Profit After Tax in Ind AS Consolidated Financial Statements is Rs. 4417.67 lakhs (P.Y. Rs 6151.25 lakhs) which includes profit of subsidiaries also, i.e. Rs. 3.10 lakhs (P.Y. Rs. 296.67 lakhs) of AR Digital Wealth Private Limited, Rs. 6.02 lakhs (P.Y. 6.41 lakhs) of Freedom Wealth Solutions Private Limited and Rs. 26.91 lakhs (P.Y. Rs. (217.67) lakhs) of Ffreedom Intermediary Infrastructure Private Limited of FY 2020-21.

38 Contingent liability in respect of Income Tax Demand of one of the subsidiary - Freedom Wealth Solutions Private Limited is as under:

	(Rs in Lakhs)	
Particulars	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Liabilities disputed - appeals filed with respect to:		
Income Tax demand for Assessment Year 2013-14*	41.66	41.66
Income Tax demand for Assessment Year 2013-14 (Penalty order under sec 271(1)(c))	46.24	-
Income Tax demand for Assessment Year 2015-16*	114.36	114.36
<b>Total</b>	<b>202.26</b>	<b>156.02</b>

\* Addition on account of difference in consideration which is received more in comparison to fair market value of shares issued u/s 56(2)(vii)(b).

39 The Group does not have any other pending litigation which would impact its financial position.

40 The Group, as a process, reviews and ensures to make adequate provisions for material foreseeable losses, if any, on all long-term contracts. As on the reporting date there is no material foreseeable loss on any long-term contract.

41 The Group has re-measured the derivative contracts to their fair value at the reporting date, as such there are no material foreseeable losses on derivative contracts.

**42 CAPITAL COMMITMENTS**

Particulars	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for :		
- Capital Commitment for Purchase of Office Property (Net of Advances)	-	307.67

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**IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****43 Dues to micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 and March 31, 2019 has been made in the Ind AS Consolidated Financial Statements based on information received and available with the Group.

Particulars	(Rs in Lakhs)	
	Yet to be paid in cash	Total
The principal amount remaining unpaid to any supplier at the end of each accounting year;	8.15	34.25
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	<b>8.15</b>	<b>34.25</b>

**ANAND RATHI WEALTH LIMITED**

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IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**44 FINANCIAL INSTRUMENT - FAIR VALUES****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.

(Rs in Lakhs)

March 31, 2021	Carrying Amount	Fair value			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial assets</b>					
<b>FVTPL</b>					
(i) Investments in Mutual Fund	16.22	16.22	-	-	16.22
(ii) Unquoted Debentures	836.19 (2,481.51)	-	-	836.19 (2,481.51)	836.19 (2,481.51)
(iii) Investment in PMS	251.62 (183.21)	156.07 (109.31)	-	95.55 (73.90)	251.62 (183.21)
(iv) Equity Shares of Other Companies	10,181.48 (10,131.75)	-	-	10,181.48 (10,131.75)	10,181.48 (10,131.75)
(v) Option Premium	- (409.23)	-	(409.23)	-	- (409.23)
<b>Amortised Cost</b>					
(i) Loans	- (6,486.34)	-	-	-	- -
(ii) Security Deposit	319.27 (499.13)	-	-	-	- -
(iii) Trade receivables	1,086.54 (911.35)	-	-	-	- -
(iv) Cash and cash equivalents	6,531.82 (2,825.45)	-	-	-	- -
(v) Bank Balances other than above	4.66 (4.33)	-	-	-	- -
(vi) Other Financial Assets	641.11 (454.55)	-	-	-	- -
	<b>19,868.90</b>	<b>172.29</b>	<b>-</b>	<b>11,113.22</b>	<b>11,285.50</b>
	<b>(24,386.85)</b>	<b>(109.31)</b>	<b>(409.23)</b>	<b>(2,555.41)</b>	<b>(3,073.95)</b>

**ANAND RATHI WEALTH LIMITED**

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IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Rs in Lakhs)

March 31, 2021	Carrying Amount	Fair value			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial liabilities</b>					
<b>FVTPL</b>					
(i) Option Premium	-	-	-	-	-
	-	-	-	-	-
<b>Amortised Cost</b>					
(i) Borrowings	3,335.99	-	-	-	-
	(4,172.99)	-	-	-	-
(ii) Trade payables	20.23	-	-	-	-
	(206.05)	-	-	-	-
(iii) Other Financial Liabilities	1,984.55	-	-	-	-
	(11,706.84)	-	-	-	-
	<b>5,340.77</b>	-	-	-	-
	<b>(16,085.88)</b>	-	-	-	-

Note 1 - Figures in brackets in the above table represent previous year numbers.

Valuation techniques used to determine the fair values:

- Listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.
- Discounted cash flow method has been used to determine the fair value of unquoted equity shares of other companies. The discount rate is used based on management estimates.
- The Company has made necessary adjustments to the observable and unobservable inputs used for the purpose of valuation
- The fair value of the quoted instruments are based on market price at the reporting date. The valuation of unquoted index options is done through Black and Scholes model. In case of unquoted instruments, unquoted debentures & PMS valuation is done on basis of discounted cash flow method.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended March 31, 2021 and March 31, 2020.

Particulars	Unquoted Debentures	PMS	Equity Shares in Other Companies
Opening Balance as on April 01, 2020	2,481.51	73.90	10,131.75
Acquisitions	457,753.05	-	-
Gains / (Losses) recognized	21,274.89	21.65	49.73
Realisations	480,673.25	-	-
Closing Balance as on March 31, 2021	836.19	95.55	10,181.48
Particulars	Unquoted Debentures	PMS	Equity Shares in Other Companies
Opening Balance as on April 01, 2019	1,034.02	-	-
Acquisitions	344,804.98	73.90	10,125.00
Gains / (Losses) recognized	21,810.83	-	6.75
Realisations	365,168.32	-	-
Closing Balance as on March 31, 2020	2,481.51	73.90	10,131.75

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## Sensitivity analysis of Level 3 instruments

Nature of instrument	Fair Value as at 31.03.2021	Significant unobservable inputs	Increase/ decrease in the unobservable input	Sensitivity Impact for year ended 31.03.2021 for FV increase	Sensitivity Impact for year ended 31.03.2021 for FV decrease
(i) Unquoted Debentures	836.19	Impact estimated by the management.	5%	41.81	(41.81)
(ii) PMS	95.55		5%	4.78	(4.78)
(iii) Equity Shares of Other Companies	10,181.48		5%	509.07	(509.07)

- (i) The fair value of the financial assets and liabilities are included at the amount at which the instrument can be exchanged in the current transaction between willing parties, other than in a forced or liquidation sale.
- (ii) Financial instruments carried at amortised cost such as cash and margin money deposits, trade and other receivables, trade payables, borrowings and other current financial instruments approximate their fair values largely due to short term maturities of these instruments.



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As on reporting date credit risk exposure are as on following:

**(Rs in Lakhs)**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Loans	-	6,486.34
Security Deposit	319.27	499.13
Trade Receivables	1,086.54	911.35
Purchase of Debentures	836.19	2,481.51
Investment in Mutual Funds	16.22	-
Advance for Purchase of Investment	-	50.00
Investment in PMS	251.62	183.21
Margin Balance with Broker	-	-
Fixed Deposits with Banks	5,896.66	258.33
Bank Balances in Current Account	1,189.91	2,811.33
Staff Advances	42.09	146.75
Accrued Interest	47.02	8.80

**(Rs in Lakh)****(i) AGE OF TRADE RECEIVABLES**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Within the credit period	1,047.88	812.24
1-30 days Past Dues	24.24	4.32
31-60 days Past Dues	5.48	22.45
61-90 days Past Dues	1.33	0.94
More than 90 days past dues	7.61	71.40
	<b>1,086.54</b>	<b>911.35</b>

**(Rs in Lakh)****(ii) MOVEMENT IN THE EXPECTED CREDIT LOSS ALLOWANCE**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Balance at end of the year	-	-
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	-	-
Balance at end of the year	-	-

There is no expected credit loss as per past trend and hence no ageing in terms of percentage loss is available.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of risk: a.) Interest Rate Risk, b.) Currency Risk and c.) Other Price Risk such as equity price risk etc.

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**IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Holding Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt included in borrowings.

**Sensitivity Analysis:**

Particulars	As at 31st March 2021
Floating Rate Liability	3312.84
A hypothetical 1% shift in underlying benchmark rates will have the below impact :	
Impact on Profit and Loss	
Increase of 1%	(0.82)
Decrease of 1%	0.82

**Price Risk**

The Group's Board of Directors reviews and approves all equity investment decisions. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

At the reporting date, the exposure to equity securities is as under:

**(Rs in Lakh)**

Impact on Profit and Loss	Increase by 1%	Decrease by 1%
Investment in Mutual Fund	0.16	(0.16)
Investment in PMS	2.52	(2.52)
Investment in Other Entities	101.81	(101.81)

At the reporting date, the exposure to equity securities of other entities is as under:

**(Rs in Lakh)**

	March 31, 2021	March 31, 2020
Investment in Mutual Fund	16.21	0.00
Investment in PMS	251.62	183.21
Investment in Other Entities	10181.48	10131.75

**Currency Risk**

Currency risk is not there, as the Group's primary business activities are within India and does not have significant exposure in foreign currency.

**46 Cost Sharing**

Anand Rathi Financial Services Ltd, Anand Rathi Global Finance Ltd, Anand Rathi Share & Stock Brokers Ltd and Anand Rathi Advisors Ltd incurs expenditure in the nature of Business support costs, etc. which is for the benefit of the company. The cost so expended is reimbursed by the company on the basis of number of employees, time spent by employees, actual billings, etc. Accordingly, the expenditure noted under the head 'Business Support charges' in note 27 are inclusive of the reimbursements.

<sup>47</sup> During the year 2019-20 holding company has capitalised office building amounting to Rs 6538.58 lakhs. During current year holding company has rectified the error and regrouped the amount capitalised to Capital work in progress.

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**48 Estimation of uncertainties relating to the health pandemic from COVID-19**

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties because of this pandemic, the Group has, at the date of approval of these financial statements, used internal and external sources of information and economic forecasts and expects that the carrying amount of these assets will be recovered.

The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

**49** The figures of the previous years have been regrouped / rearranged wherever necessary.

## ANAND RATHI WEALTH LIMITED

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## NOTES TO IND AS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 50 Additional Notes for Ind AS Consolidated Financial Statements :

2020-21

Sr. No.	Name of the entity in the group	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of consolidated net assets	Amount (Rs in Lakh)	As % of consolidated profit/loss	Amount (Rs in Lakh)	As % of consolidated OCI	Amount (Rs in Lakh)	As % of consolidated TCI	Amount (Rs in Lakh)
		(i) Parent	Anand Rathi Wealth Limited	73.60%	18,634.74	99.19%	4,418.92	37.58%	11.18
(ii) Subsidiaries									
(a)	AR Digital Wealth Private Limited	13.84%	3,503.40	0.05%	2.34	15.58%	4.64	0.16%	6.98
(b)	Freedom Wealth Solutions Private Limited	1.78%	451.74	0.13%	5.72	0.00%	-	0.13%	5.72
(c)	Ffreedom Intermediary Infrastructure Private Limited	6.19%	1,567.56	0.60%	26.91	41.77%	12.43	0.88%	39.34
(iii) Non Controlling Interest in Subsidiaries									
(a)	AR Digital Wealth Private Limited	4.49%	1,136.26	0.02%	0.76	5.06%	1.51	0.05%	2.27
(b)	Freedom Wealth Solutions Private Limited	0.09%	23.77	0.01%	0.30	0.00%	-	0.01%	0.30
(c)	Ffreedom Intermediary Infrastructure Private Limited	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>		<b>100.00%</b>	<b>25,317.47</b>	<b>100.00%</b>	<b>4,454.95</b>	<b>100.00%</b>	<b>29.76</b>	<b>100.00%</b>	<b>4,484.71</b>

2019-20

Sr. No.	Name of the entity in the group	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of consolidated net assets	Amount (Rs in Lakh)	As % of consolidated profit/loss	Amount (Rs in Lakh)	As % of consolidated OCI	Amount (Rs in Lakh)	As % of consolidated TCI	Amount (Rs in Lakh)
		(i) Parent	Anand Rathi Wealth Limited	69.23%	13164.25	98.61%	6,053.86	99.22%	(105.82)
(ii) Subsidiaries									
(a)	AR Digital Wealth Private Limited	14.95%	3496.41	3.65%	224.07	-0.19%	0.20	3.72%	224.27
(b)	Freedom Wealth Solutions Private Limited	2.25%	446.03	0.10%	6.09	0.00%	-	0.10%	6.09
(c)	Ffreedom Intermediary Infrastructure Private Limited	7.72%	1528.22	-2.73%	(167.86)	0.79%	(0.86)	-2.80%	(168.71)
(iii) Non Controlling Interest in Subsidiaries									
(a)	AR Digital Wealth Private Limited	5.73%	1134.00	1.18%	72.60	-0.06%	0.07	1.20%	72.67
(b)	Freedom Wealth Solutions Private Limited	0.12%	23.46	0.01%	0.32	0.00%	-	0.01%	0.32
(c)	Ffreedom Intermediary Infrastructure Private Limited	0.00%	0.00	-0.81%	(49.81)	0.24%	(0.25)	-0.83%	(50.06)
<b>Total</b>		<b>100.00%</b>	<b>19,792.36</b>	<b>100.00%</b>	<b>6,139.27</b>	<b>100.00%</b>	<b>(106.66)</b>	<b>100.00%</b>	<b>6,032.61</b>

As per our attached report of even date.

For and on Behalf of Board of Directors

## For and on Behalf of

**Khimji Kunverji & Co LLP**  
Chartered Accountants  
Registration No.: 105146W/W100621

**Amit Rathi**  
Managing Director  
DIN : 00029791  
June 14, 2021

**Rakesh Rawal**  
Director & Chief Executive Officer  
DIN : 02839168  
June 14, 2021

**Gautam V Shah**  
Partner  
Membership No: 117348  
Mumbai  
Date: June 16, 2021

**Ashish Chauhan**  
Company Secretary  
June 14, 2021

**Rajesh Bhutara**  
Chief Financial Officer  
June 14, 2021