

SPECIAL PURPOSE INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
AR Digital Wealth Private Limited**

Report on the Audit of the Special Purpose Ind AS Standalone Financial Statements

Opinion

We have audited the accompanying Special Purpose Ind AS Standalone Financial Statements of **AR Digital Wealth Private Limited** ('the Company'), which comprise the Balance Sheet as at August 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 period April 01, 2021 to August 31, 2021, and notes to Special Purpose Ind AS Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information as requested by Management of the Company for the internal use of the Board of Directors of the Company (herein after referred to as "Special Purpose Ind AS Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Ind AS Standalone Financial Statements, which have been prepared by the Company's management for their internal use, give a true and fair view of the state of affairs of the Company as at August 31, 2021, and its Profit (including other comprehensive income), statement of changes in equity and its cash flows for the period ended on that date, in accordance with the Basis of accounting specified in Note 2 (a) & 2 (b) to the Special Purpose Ind AS Standalone Financial Statements.

Basis for Opinion

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 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.

Responsibility of Management for Special Purpose Ind AS Standalone Financial Statements

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 Special purpose Ind AS Standalone 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 Ind AS. 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 Special Purpose Ind AS Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Special Purpose Ind AS Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Financial Statements

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

Restriction to use

This report is issued at the request of the Company and is intended for the information and use of the Board of Directors of the Company and should not be circulated to any other person for any other purpose without our prior written consent.

For Bagaria & Co. LLP

Chartered Accountants

Firm Registration No – 113447W/W-100019

Pratha

Pratha Agrawal

Partner

Membership No.: 179436

Mumbai

Date: 15th November, 2021

UDIN: 21179436AAAAJQ8591



AR Digital Wealth Private Limited
(Previously known as A R Wealth Management Private Limited)
CIN: U65923MH1996PTC097270
SPECIAL PURPOSE STANDALONE BALANCE SHEET AS AT AUGUST 31, 2021

(Rs. In Lakhs)

Particulars	Notes	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
I ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	4.30	5.32
Right-of-Use Asset	3	-	-
Intangible Assets	4	2,821.91	2,970.57
Deferred Tax Assets (Net)	6	-	-
Other Non Current Assets	7	31.05	24.07
		2,857.26	2,999.96
Current Assets			
Financial Assets			
- Loans	5	1,660.00	-
- Trade Receivables	8	84.51	70.87
- Cash and cash equivalents	9	78.56	1,765.91
- Other Financial Assets	10	131.28	21.63
Other Current Assets	11	12.28	5.06
		1,966.63	1,863.47
		4,823.89	4,863.43
TOTAL ASSETS			
II EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	537.30	537.30
Other Equity	13	4,107.33	4,102.36
		4,644.63	4,639.66
Liabilities			
Non-Current Liabilities			
Financial liabilities			
- Other Financial Liabilities	14	-	-
Provision	15(i)	16.40	13.21
Deferred tax liabilities (Net)	6	68.29	66.62
		84.69	79.83
Current Liabilities			
Financial liabilities			
- Trade Payables	16	-	-
Total Outstanding dues of micro enterprises and small enterprises		0.36	1.88
Total Outstanding dues of creditors other than micro enterprises and small enterprises			
- Other Financial Liabilities	14	69.52	32.65
Other Current Liabilities	17	14.53	82.04
Provisions	15(ii)	10.16	27.37
		94.57	143.94
		4,823.89	4,863.43
TOTAL EQUITY AND LIABILITIES			

Significant Accounting Policies & Notes Forming Part of the Financial Statements

1-41

As per our attached report of even date.

For Bagaria & Co. LLP
Chartered Accountants
Firm Reg No.113447W/W-100019

Pratha
Pratha Agrawal
Partner
M.No. 179436
Place: Mumbai
Date: November 15, 2021
UDIN: 21179436AAAAJ08591



For and on Behalf of Board of Directors

Amit
Amit Rathi
Director
DIN : 00029791

Vishal
Vishal Laddha
Director
DIN : 0033628

Ashish
Ashish Chauhan
Company Secretary

AR Digital Wealth Private Limited
(Previously known as A R Wealth Management Private Limited)
CIN: U65923MH1996PTC097270
SPECIAL PURPOSE STANDALONE STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED AUGUST 31, 2021

(Rs in Lakhs)

Particulars	Notes	FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
I Revenue From Operations	18	333.22	515.91
II Other Income	19	75.94	566.86
Total Revenue		409.16	1,082.77
III Expenses:			
Employee Benefits Expense	20	104.95	330.04
Finance Costs	21	0.00	14.20
Depreciation and Amortisation Expenses	3 & 4	150.08	400.05
Other Expenses	22	145.82	329.42
Total Expenses		400.85	1,073.71
IV Profit/(Loss) Before Tax		8.31	9.06
V Tax Expenses:			
1. Deferred Tax	23	1.67	3.83
2. Prior Year taxes		-	2.13
TOTAL TAX EXPENSES		1.67	5.96
VI Profit/(Loss) for the Period / Year		6.64	3.10
VII Other Comprehensive Income/(Loss) Items that will not be reclassified subsequently to the statement of Profit and Loss			
Remeasurement of defined employee benefit plans		(1.67)	6.15
Total Other Comprehensive Income/(loss)		(1.67)	6.15
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR		4.97	9.25
VIII Earning Per Equity Share of Rs.10 each*	27		
Basic		0.12	0.06
Diluted		0.12	0.06
* not annualised for period ended August 31, 2021			
Significant Accounting Policies & Notes Forming Part of the Financial Statements	1-41		

As per our attached report of even date.

For Bagaria & Co. LLP
Chartered Accountants
Firm Reg No.113447W/W-100019

For and on Behalf of Board of Directors


Pratha Agrawal
Partner
M.No. 179436
Place: Mumbai
Date: November 15, 2021




Amit Rathi
Director
DIN : 00029791


Vishal Laddha
Director
DIN : 0033628


Ashish Chauhan
Company Secretary

UDIN : 21179436AAAAT08591



AR Digital Wealth Private Limited
(Previously known as A R Wealth Management Private Limited)
CIN: U65923MH1996PTC097270
SPECIAL PURPOSE STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED AUGUST 31, 2021

(Rs in Lakhs)

	Particulars	FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	8.31	9.06
	Add / (Less) :		
	Depreciation	150.08	400.05
	Interest Income	(69.21)	(122.32)
	Interest Expenses	0.00	14.20
	Gratuity	1.63	4.89
	Leave	1.18	1.22
		83.68	298.04
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	91.99	307.10
	Adjustment for :		
	Trade Receivables & Other Current Assets	(20.85)	5.81
	Decrease/(Increase) in Other Financial Assets	(131.00)	
	Short Term Borrowing & Other Current Liabilities	(50.67)	(353.66)
		(202.52)	(347.85)
	CASH GENERATED FROM OPERATIONS	(110.53)	(40.74)
	Add / (Less) :		
	Direct Taxes Paid (Net)	(6.98)	(18.01)
	NET CASH FROM OPERATING ACTIVITIES	(117.51)	(58.75)
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Property, Plant and Equipment	(0.40)	-
	Sale of Property, Plant and Equipment	-	275.82
	Advance for Property Purchase	-	349.33
	Security Deposit Given	-	86.24
	Interest Income	90.56	95.38
	(Purchase)/Sale of Investment	-	50.00
	Loan Given	(1,660.00)	940.24
	NET CASH FROM INVESTING ACTIVITIES	(1,569.84)	1,797.01
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Interest Expenses	-	(0.03)
	Lease Payment	-	16.74
	NET CASH USED IN FINANCING ACTIVITIES	-	16.71
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,687.35)	1,754.97
	CASH AND CASH EQUIVALENTS - Opening Balance	1,765.91	10.94
	CASH AND CASH EQUIVALENTS - Closing Balance	78.56	1,765.91

Details of Cash and Cash equivalent at the end of the year

- Cash On Hand	0.07	0.62
- Balance in Current Account	63.49	185.29
- Balance in Deposit Account	15.00	1,580.00
Total	78.56	1,765.91

Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 specified under section 133 of the Companies Act, 2013.

As per our attached report of even date.

For Bagaria & Co. LLP
Chartered Accountants
Firm Reg No. 113447W/W-100019

For and on Behalf of Board of Directors

Pratha
Pratha Agrawal
Partner
M.No. 179436
Place: Mumbai
Date: November 15, 2021



Amit
Amit Rathi
Director
DIN : 00029791

Vishal
Vishal Laddha
Director
DIN : 0033628

Ashish
Ashish Chauhan
Company Secretary



UDIN: 21179436AAAAJ@8591

AR Digital Wealth Private Limited
(Previously known as A R Wealth Management Private Limited)
CIN: U65923MH1996PTCO97270

SPECIAL PURPOSE STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED AUGUST 31, 2021

A. Equity Share Capital		
	Nos. in Lakhs	Rs in Lakhs
Equity shares of INR 10 each issued, subscribed and fully paid At April 1, 2020	53.73	537.30
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	53.73	537.30
Changes in equity share capital during the year At March 31, 2021	53.73	537.30
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	53.73	537.30
Changes in equity share capital during the period At August 31, 2021	53.73	537.30

B. Other Equity	Reserve and Surplus		Other Comprehensive Income	Total Equity
	Securities Premium	Retained Earnings		
Balance as at April 1, 2020	3,880.59	218.77	(6.25)	4,093.11
Profit for the Year	-	3.10	-	3.10
Remeasurement of the net defined benefit liability/asset	-	-	6.15	6.15
Balance as at March 31, 2021	3,880.59	221.87	(0.10)	4,102.36
Balance as at April 1, 2021	3,880.59	221.87	(0.10)	4,102.36
Profit for the Period	-	6.64	-	6.64
Remeasurement of the net defined benefit liability/asset	-	-	(1.67)	(1.67)
Balance as at August 31, 2021	3,880.59	228.51	(1.77)	4,107.33

As per our attached report of even date.

For and on Behalf of Board of Directors

For Bagaria & Co. LLP
Chartered Accountants
Firm Reg No.113447W/W-100019

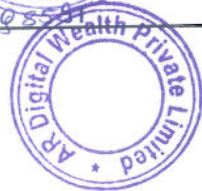
Pratha
Pratha Agrawal
Partner
M.No. 179436
Place: Mumbai
Date: November 15, 2021
UDIN: 2119436AAAAJ@8581



Amit
Amit Rathi
Director
DIN : 00029791

Vishal
Vishal Laddha
Director
DIN : 0033628

Ashish Chauhan
Ashish Chauhan
Company Secretary



AR Digital Wealth Private Limited

(Previously known as A R Wealth Management Private Limited)

CIN: U65923MH1996PTC097270

NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AUGUST 31, 2021

1 CORPORATE INFORMATION

AR Digital Wealth Private Limited (formerly known as AR Wealth Management Private Limited) ("the Company") having CIN U65923MH1996PTC097270 was incorporated on February 14, 1996 as a private company. Its registered office is at 11th Floor Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra. It is engaged in business of 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) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act").

The financial statements were approved for issue by the Board of Directors of the Company at their meeting held on November 15, 2021.

(b) Basis of preparation of 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. 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 Judgements and key Sources of Estimation Uncertainty

The preparation of the Company's 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) 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.

(ii) 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.

(iii) 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.

(iv) 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 they have 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.

(v) 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.

(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.



AR Digital Wealth Private Limited

(Previously known as A R Wealth Management Private Limited)

CIN: U65923MH1996PTC097270

NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AUGUST 31, 2021

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.

(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 useful life of tangible assets is as prescribed under Part C of Schedule II of the Companies Act 2013.

<u>Fixed Assets</u>	<u>Useful Life</u>
Office Equipment	5 years
Computer Equipment	3 years
Furniture and Fixtures	10 years

(ii) **Intangible Assets:** Intangible assets consists of software for financial service which has been amortized over a period of 10 Years on SLM basis. It was amortised over the period of 7 years till FY 2019-20

(iii) **Deemed cost on transition to Ind AS:** For transition to Ind AS, the Company has elected to continue with the carrying value of all its Property Plant and equipment and Intangible assets as measured as per the previous GAAP and use that carrying value as its deemed cost of the transition date.

(f) Financial Instruments

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

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.

Effective Interest Method: Interest income from security deposit 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.



AR Digital Wealth Private Limited

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CIN: U65923MH1996PTC097270

NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AUGUST 31, 2021

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 35 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, the financial asset is not 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.

(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.



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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 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 not funded its Gratuity liability.

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 - Revenue from contracts with customers became effective from the year under report. Accordingly, 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 recognised 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, Referral fees, Gain/ Loss on sale of Investment (Structured Product).

1. Income related with Distribution income on Mutual Fund, PMS, Referral fees is accounted on accrual basis.
2. Dividend income is accounted for when the right to receive the 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.

(n) Taxes on Income

Current Tax: Provision for Income Tax is determined in accordance with the provisions 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 financial statements.

Contingent Assets are neither recognized nor disclosed.



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(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 period/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 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) Rounding of amounts

All amounts disclosed in the 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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3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

Description					(Rs in Lakhs)
	Right-of-Use Asset	Computer	Office equipment	Furniture & Fixtures	Total
As at April 1, 2021	-	34.34	9.96	0.58	44.88
Additions	-	0.40	-	-	0.40
Disposals	-	-	-	-	-
As at August 31, 2021	-	34.74	9.96	0.58	45.28
Accumulated depreciation as at April 1, 2021	-	31.18	8.19	0.19	39.56
Depreciation for the period	-	0.61	0.79	0.02	1.42
Disposals	-	-	-	-	-
Accumulated depreciation as at August 31, 2021	-	31.79	8.98	0.21	40.98
Net carrying amount as at August 31, 2021	-	2.95	0.98	0.37	4.30

Description					(Rs in Lakhs)
	Right-of-Use Asset	Computer	Office equipment	Furniture & Fixtures	Total
As at April 1, 2020	324.44	34.39	9.96	0.58	369.37
Additions	-	-	-	-	-
Disposals	324.44	0.05	-	-	324.49
As at March 31, 2021	-	34.34	9.96	0.58	44.88
Accumulated depreciation as at April 1, 2020	10.81	27.89	6.30	0.11	45.11
Depreciation for the year	37.85	3.29	1.89	0.05	43.08
Disposals	48.67	-	-	-	48.67
Accumulated depreciation as at March 31, 2021	-	31.18	8.19	0.19	39.56
Net carrying amount as at March 31, 2021	-	3.16	1.77	0.40	5.32

4 INTANGIBLE ASSETS

Description			(Rs in Lakhs)
	Software - DWM	Total	
As at April 1, 2021	3,687.37	3,687.37	
Additions	-	-	
Disposals	-	-	
As at August 31, 2021	3,687.37	3,687.37	
Accumulated depreciation as at April 1, 2021	716.80	716.80	
Depreciation for the period	148.66	148.66	
Disposals	-	-	
Accumulated depreciation as at August 31, 2021	865.46	865.46	
Net carrying amount as at August 31, 2021	2,821.91	2,821.91	

Description			(Rs in Lakhs)
	Software - DWM	Total	
Cost as at April 1, 2020	3,687.37	3,687.37	
Additions	-	-	
Disposals	-	-	
Cost as at March 31, 2021	3,687.37	3,687.37	
Accumulated depreciation as at April 1, 2020	359.82	359.82	
Depreciation for the year	156.97	156.97	
Disposals	-	-	
Accumulated depreciation as at March 31, 2021	716.80	716.80	
Net carrying amount as at March 31, 2021	2,970.57	2,970.57	

5 LOANS - Current

Intercorporate Deposit To Related Party
(Unsecured, Considered Good)

Anand Rathi Share and Stock Brokers Limited

Loans or Advances granted to promoters, directors, KMPs and the related parties

Type of Borrower

Promoters

Directors

KMPs

Related Parties

	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
	1,660.00	-
	1,660.00	-
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
Amount of loan or advance in the nature of loan outstanding	1,660.00	-
Percentage to the total Loans and Advances in the nature of loans	100%	-

6 DEFERRED TAX ASSETS / (LIABILITIES)

Deferred Tax Liability on account of Depreciation

Deferred Tax Asset on account of Business Loss

Deferred Tax Asset on account of Leave

Deferred Tax Asset on account of Gratuity

Deferred Tax Asset on account of Ind AS 116

	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
	(231.97)	(216.20)
	158.99	144.02
	2.47	2.17
	4.22	3.39
	(68.29)	(66.62)

7 OTHER NON CURRENT ASSETS

Advance Tax including Tax Deducted at Source

	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
	31.05	24.07
	31.05	24.07

8 TRADE RECEIVABLES

(Unsecured, Considered good)

Trade Receivables

	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
	84.51	70.87
	84.51	70.87



(i) Trade Receivables ageing schedule

As at August 31, 2021

(Rs. In lakhs)

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	84.51	-	-	-	-	-	-
(ii) Undisputed Trade receivables - which have significant increase in Credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-	-
Total	84.51	-	-	-	-	-	-

As at March 31, 2021

(Rs. in lakhs)

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	43.88	27.00	-	-	-	-	70.87
(ii) Undisputed Trade receivables - which have significant increase in Credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in Credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-	-
Total	43.88	27.00	-	-	-	-	70.87

(ii) MOVEMENT IN THE EXPECTED CREDIT LOSS ALLOWANCE

Balance at beginning of the year
 Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit loss
 Balance at end of the period / year

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

(Rs. In lakhs)	
AS AT	AS AT
AUGUST 31, 2021	MARCH 31, 2021

9 CASH AND CASH EQUIVALENTS

Balances with Banks
 - in Current Accounts
 - in Deposit Accounts
 Cash On Hand

(Rs in Lakhs)	
AS AT	AS AT
AUGUST 31, 2021	MARCH 31, 2021
63.49	185.29
15.00	1,580.00
0.07	0.62
78.56	1,765.91

10 OTHER FINANCIAL ASSETS

Other Financial Assets - Current
 Interest Accrued
 Fixed Deposit with Bank
 Un-Quoted - Fully Paid up
 Debentures at Fair Value through Profit and Loss
 in Anand Rathi Global Finance Limited Debentures

(Rs in Lakhs)	
AS AT	AS AT
AUGUST 31, 2021	MARCH 31, 2021
0.28	21.63
85.00	
46.00	
131.28	21.63

11 OTHER CURRENT ASSETS

(Unsecured, Considered good)
 Staff Advances
 Prepaid Expenses
 GST Input Credit
 Advance to Others

(Rs in Lakhs)	
AS AT	AS AT
AUGUST 31, 2021	MARCH 31, 2021
7.85	1.69
1.00	0.59
3.43	1.23
-	1.55
12.28	5.06

12 EQUITY SHARE CAPITAL

The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of INR 10 each as follows:

Authorised
 1,00,00,000 (FY 2020-21 1,00,00,000) Equity Shares of Rs.10/-each

Issued, Subscribed And Paid Up
 53,72,976 (FY 2020-21 53,72,976) Equity Shares of Rs.10/-each Fully Paid Up

(Rs in Lakhs)	
AS AT	AS AT
AUGUST 31, 2021	MARCH 31, 2021
1,000.00	1,000.00
1,000.00	1,000.00
537.30	537.30
537.30	537.30



(i) Reconciliation for No. of Shares Outstanding as on Reporting Date

	AS AT AUGUST 31, 2021		AS AT MARCH 31, 2021	
	No. of Shares	(Rs in Lakhs)	No. of Shares	(Rs in Lakhs)
Equity Shares				
Shares outstanding at the beginning of the year	5,372,976	537.30	5,372,976	537.30
Shares issued during the year by capitalising of reserve	-	-	-	-
Shares issued during the year for consideration	-	-	-	-
Shares outstanding as at reporting date	5,372,976	537.30	5,372,976	537.30

(ii) Terms/Rights attached to the Equity Shares

Equity Shares

The Company has only one class of shares referred to as Equity Shares having a face value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, 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.

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholders	AS AT AUGUST 31, 2021		AS AT MARCH 31, 2021	
	No. of shares held	% of Holdings	No. of shares held	% of Holdings
Anand Rathi Wealth Limited	4,057,059	75.51	4,057,059	75.51
Shri Amit Rathi	400,000	7.44	400,000	7.44

(iv) Shares held by promoters at the end of the year

Promoter Name	AS AT AUGUST 31, 2021			AS AT MARCH 31, 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Anand Rathi Wealth Limited	4,057,059	75.51	-	4,057,059	75.51	-

(v) 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
August 31, 2021	-	-
March 31, 2021	-	-
March 31, 2020	-	-
March 31, 2019	-	-
March 31, 2018	-	-
March 31, 2017	-	-

13 OTHER EQUITY

(a) Securities Premium

	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
Opening Balance	3,880.59	3,880.59
Add: Received during the year	-	-
Less: Utilised during the year	-	-
	3,880.59	3,880.59

(b) Retained Earnings

	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
Opening Balance	221.87	218.77
Add: Profit During the Year	6.64	3.10
Balance as at year end	228.51	221.87

(c) Other Comprehensive Income

	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
Opening Balance	10.10	(6.75)
Remeasurement of defined employee benefit plan	(1.67)	6.15
Balance as at year end	(1.77)	(0.10)

	(Rs in Lakhs)	
TOTAL OTHER EQUITY	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
	4,107.33	4,102.36

Securities Premium

Balance of Securities premium consist of Issue of share over its face value. The balance will be utilised as per section 52 of the Companies Act, 2013.

Retained earnings

Retained earnings comprises of the amounts of profit / (loss) earned by the company.

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.

14 OTHER FINANCIAL LIABILITIES

(i) Other Financial Liabilities - Current

	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
Employee Benefits Payable	13.97	0.80
Provision for Expenses	55.55	31.85
	69.52	32.65

15 PROVISIONS

(i) Employee Benefits Liability - Non Current

	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
Gratuity Provision	16.40	13.21
	16.40	13.21

(ii) Employee Benefit Liabilities - Current

	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
Gratuity Provisions	0.36	0.25
Leave Provision	9.80	8.62
Incentive Provision	-	18.50
	10.16	27.37



16 TRADE PAYABLES	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
Total outstanding dues of micro, small and medium enterprises*	-	-
Total outstanding dues to other than micro, small and medium enterprises	0.36	1.88
	<u>0.36</u>	<u>1.88</u>

*The above disclosure is base 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, 2016.

Trade payables ageing schedule

As at August 31, 2021	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME		-	-	-	-	-
(ii) Others		0.36	-	-	-	-
(iii) Disputed dues – MSME		-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-

As at March 31, 2021	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME		-	-	-	-	-
(ii) Others		1.88	-	-	-	-
(iii) Disputed dues – MSME		-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-

17 OTHER CURRENT LIABILITIES	(Rs in Lakhs)	
	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
Statutory Dues	14.53	87.04
	<u>14.53</u>	<u>87.04</u>



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		(Rs in Lakhs)	
18 REVENUE FROM OPERATION		FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
Mutual Fund Distribution Income		227.88	378.09
Income from Distribution & Sale of Financial Product		105.34	137.82
		333.22	515.91
		(Rs in Lakhs)	
19 OTHER INCOME		FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
Interest Income		69.21	122.32
Miscellaneous & Other Income		6.73	48.30
Web branding and Training Services		-	396.24
		75.94	566.86
		(Rs in Lakhs)	
20 EMPLOYEE BENEFIT EXPENSES		FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
Salary, Incentive & Bonus		99.55	309.96
Contribution to Provident and Other Funds		3.77	15.19
Gratuity		1.63	4.89
		104.95	330.04

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.

		(Rs in Lakhs)	
Particulars		FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
Amounts recognized in the Balance Sheet in respect of gratuity :			
Present value of the funded defined benefit obligation at the end of the period / year		16.75	13.46
Fair value of plan assets		-	-
Net Liability/(Asset)		16.75	13.46
Amounts recognized in Salary, Wages and Employee Benefits in the Profit and Loss Account in respect of gratuity :			
Current Service cost		1.24	3.92
Interest on Defined Benefit Obligations		0.39	0.96
Expected return on plan assets		-	-
Past Service Cost - Vested Benefit recognised during the period / year		-	-
Net Gratuity Cost		1.63	4.88



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Amount recognized in Other Comprehensive Income (OCI)		
Amount recognized in OCI in beginning of the period / year	0.10	6.26
Remeasurement due to:		
<i>Effect of Change in financial assumptions</i>	(0.32)	2.01
<i>Effect of Change in demographic assumptions</i>	-	-
<i>Effect of experience adjustments</i>	1.99	(8.16)
Actuarial (Gains)/Losses	1.67	(6.15)
Return on plan assets (excluding interest)		
Total remeasurement recognized in OCI	1.67	(6.15)
Amount recognized in OCI, End of period / year	1.76	0.10
Reconciliation of present value of the obligation		
Change in present value of obligation:		
Opening Defined Benefit Obligation	13.46	14.73
Current Service Cost	1.24	3.92
Interest Cost	0.39	0.96
Liability Transferred out	-	-
Actuarial (Gain)/loss	1.67	(6.15)
Benefits Paid	-	-
Past Service Cost	-	-
Closing Defined Benefit Obligation	16.75	13.46
Change in fair value plan assets:		
Opening Fair Value of the plan assets	-	-
Expected return on plan assets	-	-
Actuarial Gain/(loss)	-	-
Contributions by the Employer	-	-
Benefits Paid	-	-
Closing Fair value of the plan assets	-	-
Investment details of plan assets		
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Insurer Managed Fund	-	-
Others	-	-
Total	-	-
Experience Adjustment		
Defined Benefit Obligation	16.75	13.46
Plan Assets	-	-
(Surplus)/deficit	16.75	13.46
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.67	(6.15)
Actuarial (Gains)/Losses on Plan Assets - Due to Experience	-	-
Weighted average duration of Define benefit obligation	14.71 Yrs	13.70 Yrs
Maturity profile of defined benefit obligation		
Within next 12 months	0.36	0.26
Between 1 and 5 Years	2.19	1.70
Between 6 and 10 Years	7.15	5.29

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.



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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

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)	16.75	13.46
Discount Rate		
Increase by 50 bps	15.74	12.59
Impact of increase by 50 bps in Percentage	(6.07)	(6.84)
Decrease by 50 bps	17.87	14.42
Impact of decrease by 50 bps in Percentage	6.64%	7.12%
Salary Growth Rate		
Increase by 50 bps	17.61	14.37
Impact of increase by 50 bps in Percentage	5.09%	6.74%
Decrease by 50 bps	15.90	12.59
Impact of decrease by 50 bps in Percentage	(5.06)	(6.47)

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 August 31,2021 the estimated term of liabilities is 14.71 years, corresponding to which YTM on government bonds is 7.05%, after rounding to nearest 0.05%.

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 (2012-14) Ult. as issued by Institute of Actuaries of India for the actuarial valuation.

Principal Actuarial Assumptions:

Discount rate	7.05%	6.90%
Salary Escalation Rate	5.00%	5.00%
Attrition Rate	For Service 4 yrs & below 20% p.a. & service 4 yrs and above 2% p.a	For Service 4 yrs & below 20% p.a. & service 4 yrs and above 2% p.a
Retirement Age	60 years	60 years

Defined Contribution Plans

Amount recognized as an expense under the head Contribution to Provident and other Funds in note 21 Employee Benefit Expenses of Statement of Profit and Loss towards Group's Contribution to Provident Fund is Rs 3.77 Lakhs (FY 2020-21 Rs 15.19 Lakhs).



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		(Rs in Lakhs)	
21	FINANCE COSTS	FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
	Interest Paid	0.00	14.20
		0.00	14.20
		(Rs in Lakhs)	
22	OTHER EXPENSES	FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
	Legal & Professional Charges	11.32	10.32
	Communication Expenses	4.41	4.12
	Printing and Stationery	0.00	0.10
	Repairs and Maintenance	0.02	-
	Recruitment & Training	0.77	1.90
	Business Promotion and Marketing Expenses	124.82	248.79
	Business Support Expenses	-	23.87
	Data processing charges	-	9.65
	Computer & Software Maintenance Charges	0.70	22.51
	Travelling & Conveyance Expenses	0.68	0.78
	Office Expenses	0.02	-
	Auditors Remuneration		
	Audit Fees	0.63	1.88
	Miscellaneous & other Expenses	2.45	5.50
		145.82	329.42
		(Rs in Lakhs)	
23	INCOME TAX EXPENSE	FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
	Current Tax		
	Current tax on profit for the year	-	-
	Adjustments for current tax of prior periods	-	2.13
	Total Current tax expenses	-	2.13
	Deferred Tax		
	Decrease / (Increase) in deferred tax assets	(16.10)	(82.83)
	(Decrease) / Increase in deferred tax liabilities	17.77	86.66
	Total deferred tax expenses / benefit	1.67	3.83
	Total Income Tax Expenses	1.67	5.96



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Particulars	(Rs in Lakhs)	
	FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
Applicable Tax Rate	25.17	25.17
Profit before tax	8.31	9.06
Tax Expenses as per above rate	2.09	2.28
Expenses Disallowed	0.00	0.01
On Account of Ind AS Adjustments	-	0.00
Items (offered)/not offered for tax in earlier years	-	1.54
Others	(0.42)	2.13
Total Tax Expenses Recognised	1.67	5.96
Effective Tax Rate	20.13%	65.81%

The Government of India has inserted section 115BAA in the Income Tax Act, 1961 which provides domestic companies an option to pay corporate tax at reduced rate of 22% plus applicable surcharge and cess which is effective from 1st April 2019 subject to certain conditions. From FY 2020-21, the Company has adopted the option of reduced rate and accordingly income tax and deferred tax have been calculated.



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24 INDIAN ACCOUNTING STANDARD 108:- OPERATING SEGMENTS

The Company is engaged in providing Financial and Distribution services in India. As such there are no reportable segments.

25 Ind AS 116

The Company has adopted Ind AS 116 and applied the standard to all lease contracts. 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.

The incremental borrowing rate applied to lease liabilities is 9.5%

Following is the information pertaining to leases for the period ended August 31, 2021 and year ended March 31, 2021

(Rs in Lakh)

Particulars	31.08.2021	31.03.2021
(a) Depreciation Charge for Right-of-Use Asset	-	37.85
(b) Interest Expense on Lease Liability	-	5.64
(c) Expense relating to short term leases accounted in profit & loss	-	-
(d) Total Cash Outflow for Leases for the period (includes expense relating to short term lease also)	-	39.06
(e) Additions to Right-of-Use Asset	-	(324.44)
(f) Carrying Amount of Right-of-Use Asset	-	-

Maturity Analysis of Lease Liabilities :

(Rs in Lakh)

Due	As at 31.08.2021	As at 31.03.2021
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Total	-	-

26 RELATED PARTY DISCLOSURE - Ind AS**(a) List of Related Parties****(i) Holding Company**

Anand Rathi Wealth Limited

(ii) Fellow Subsidiaries

Freedom Wealth Solutions Private Limited

Freedom Intermediary Infrastructure Private Limited

(iii) Entity of which the Holding Company is an Associate

Anand Rathi Financial Services Limited

(iv) Key Managerial Persons

Amit Rathi

Vishal Laddha

Rakesh Rawal

Sriram Rajagopal Iyer, Director, CEO (till August 08, 2021)

(v) Other Related Parties with whom there were transactions during the year:

Anand Rathi Share and Stock Brokers Limited

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 PERIOD ENDED	FOR THE YEAR ENDED
	AUGUST 31, 2021	MARCH 31, 2021
(i) Loan Given		
Entity of which the Holding Company is an Associate	-	3,062.00
Other Group Company	2,774.00	-
(ii) Loan Repayment Received		
Entity of which the Holding Company is an Associate	1,114.00	4,002.00



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	FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
(iii) Loan Taken		
Holding Company	-	142.00
(iv) Loan Repaid		
Holding Company	-	142.00
(v) Purchase of Debentures		
Holding Company	-	414.04
Other Related Parties	810.75	1,242.00
(vi) Support Service Taken		
Holding Company	-	7.84
Other Related Parties	1.65	15.93
(vii) Support Service Given		
Holding Company	5.47	38.23
(viii) Interest Income		
Other Related Parties	67.73	27.86
Entity of which the Holding Company is an Associate	-	91.70
(ix) Referral fees income		
Holding Company	31.31	-
(x) Remuneration to KMP		
DIRECTOR, CEO	-	72.67
		(Rs. In Lakhs)
(c) Outstanding Balances	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
(i) Loan Given		
Other Group Company	1,660.00	-
(ii) Other Receivables		
Holding Company	31.31	-
27 Earning Per Share	2021-22 (Up to August 31, 2021)	2020-21
Net Profit after tax	6.64	3.10
Number of equity shares	5,372,976	5,372,976
Face Value Per Share (in Rs)	10	10
Weighted Average number of equity shares	5,372,976	5,372,976
Diluted Weighted Average number of equity shares	5,372,976	5,372,976
Earnings Per Share (in Rs) *		
- Basic	0.12	0.06
- Diluted	0.12	0.06

28 Corporate Social Responsibility (CSR)

The Company is not liable to spend any amount as per the provisions of Sec 135 of The Companies Act, 2013.



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NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AUGUST 31, 2021

29 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 :

	AS AT AUGUST 31, 2021	AS AT MARCH 31, 2021
Equity	537.30	537.30
Other Equity	4,107.33	4,102.36
Total Equity (A)	4,644.63	4,639.66
Borrowings	-	-
Net Debt (B)	-	-
Net Debt to Equity Ratio (B/A)	-	-

30 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition/transfer date fair values of the assets transferred less liabilities incurred. The Company has not made any acquisitions during the period.

Ffreedom Intermediary Infrastructure Private Limited (FIINFRA) is engaged in the business of providing IT enabled services. 2,99,419 shares were sold on February 13, 2020 and 2,99,418 shares were sold on March 31, 2020 to Anand Rathi Wealth Limited. The consideration received for shares of FIINFRA in FY 2019-20 was Rs. 2,598.95 lakh. The fair value per share for the aforesaid acquisitions was Rs. 434.

Name of Company	No. of Shares	Acquisition/Sell rate per share	Amount (Rs in Lakhs)	% of Shares Acquired
Ffreedom Intermediary Infrastructure Private Limited				
November 23, 2017	250,000.00	10.00	25.00	100.00%
September 10, 2018	348,837.00	430.00	1,500.00	100.00%
February 13, 2020	(299,419.00)	434.00	(1,299.48)	-50.00%
March 30, 2020	(299,418.00)	434.00	(1,299.47)	-50.00%

31 CAPITAL COMMITMENTS

The company does not have any capital commitments.

32 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 August 31, 2021 and March 31, 2021 has been made in the financial statements based on information received and available with the Company.

Particulars	FOR THE PERIOD ENDED AUGUST 31, 2021	FOR THE YEAR ENDED MARCH 31, 2021
The principal amount remaining unpaid to any supplier at the end of each accounting year;	-	-
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 period 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	-	-



33 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.

August 31, 2021	Carrying Amount	Fair value			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets					
FVTPL					
(i) Unquoted Debentures	46.00	-	-	46.00	46.00
Amortised Cost					
(i) Loans	1,660.00	-	-	-	-
(ii) Trade receivables	84.51	-	-	-	-
(iii) Cash and cash equivalents	78.56	-	-	-	-
(iv) Other Financial Assets	85.28	-	-	-	-
	1,954.36	-	-	46.00	46.00
Financial liabilities					
Amortised Cost					
(i) Trade Payables	0.36	-	-	-	-
(ii) Other Financial Liabilities	69.52	-	-	-	-
	69.88	-	-	-	-

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)	
Financial assets					
FVTPL					
(i) Unquoted Debentures	-	-	-	-	-
Amortised Cost					
(i) Loans	-	-	-	-	-
(ii) Trade receivables	70.87	-	-	-	-
(iii) Cash and cash equivalents	1,765.91	-	-	-	-
(iv) Other Financial Assets	21.63	-	-	-	-
	1,858.41	-	-	-	-
Financial liabilities					
Amortised Cost					
(i) Trade Payables	1.88	-	-	-	-
(ii) Other Financial Liabilities	32.65	-	-	-	-
	34.53	-	-	-	-

- (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 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.
- (iii) The fair value of the quoted instruments are based on market price at the reporting date. In case of unquoted instruments, the valuation is done based on the observable market inputs.



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34 Ratios as per Schedule III requirements

(Rs. In Lakhs except ratios)

1 Current Ratio = Current Assets divided by Current Liabilities

Particulars	August 31, 2021	March 31, 2021
Current Assets	1,966.63	1,863.47
Current Liabilities	94.57	143.94
Ratio	20.80	12.95
% Change from previous period / year	61%	184%

Reason for change more than 25%:

During the year ended August 31, 2021 the current liabilities has decreased on account of decrease in Statutory dues

During the year ended March 31, 2021 the current assets has increased on account of increase in balances & deposits with banks

2 Debt Equity Ratio = Total debt divided by total equity where total debt refers to sum of current and non-current borrowings

Particulars	August 31, 2021	March 31, 2021
Total Debt	-	-
Total Equity	4,642.14	4,635.03
Ratio	-	-
% Change from previous period / year	-	-

Reason for change more than 25%:

None

3 Debt Service Coverage Ratio = Earnings available for debt services divided by the Total interest and principal repayment

Particulars	August 31, 2021	March 31, 2021
Profit after tax	6.64	3.10
Add: Non cash operating expenses and finance cost		
Depreciation and Amortisation Expenses	150.08	400.05
Finance Costs	0.00	14.20
Earnings available for debt service	156.72	417.36
Interest cost on borrowings	0.00	0.03
Principal repayments	-	-
Lease payment	-	16.74
Total interest and principal repayments	-	16.77
Ratio	-	24.89
% Change from previous period / year	NA*	1632%

Reason for change more than 25%:

During the year ended March 31, 2021 the Company does not have any debt

4 Return on Equity Ratio = Profit after tax divided by Average Equity

Particulars	August 31, 2021	March 31, 2021
Profit after tax	6.64	3.10
Average Equity	4,642.14	4,639.66
Ratio	0.00	0.00
% Change from previous period / year	NA*	-99%

Reason for change more than 25%:

During the year ended March 31, 2021 the profit decreased due to lower revenue from operation

5 Trade receivables turnover ratio = Revenue from Operations divided by average trade receivables

Particulars	August 31, 2021	March 31, 2021
Revenue from Operations	333.22	515.91
Average trade receivables	77.69	50.21
Ratio	4.29	10.27
% Change from previous period / year	NA*	-38%

Reason for change more than 25%:

During the year ended March 31, 2021, ratio has decreased due to increase in credit period from 22 days to 36 days.



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NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AUGUST 31, 2021

(Rs. In Lakhs except ratios)

6 Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	August 31, 2021	March 31, 2021
Credit Purchases / Expenses	145.82	329.42
Average trade payables	1.12	2.95
Ratio	130.24	111.54
% Change from previous period / year	NA*	-52%

Reason for change more than 25%:

During the year ended March 31, 2021, ratio has decreased due to decrease in expenses on account of covid 19.

7 Net capital turnover ratio = Revenue from Operations divided by Net working capital whereas net working capital = current assets - current liabilities

Particulars	August 31, 2021	March 31, 2021
Revenue from Operations	333.22	515.91
Net Working Capital	1,872.07	1,719.53
Ratio	0.18	0.30
% Change from previous period / year	NA*	-45%

Reason for change more than 25%:

The ratio for the year ended March 31, 2021 has reduced due to higher net working capital on account of increase in balances & deposits with bank.

8 Profit ratio = Profit after tax divided by Revenue from Operations

Particulars	August 31, 2021	March 31, 2021
Profit after tax	6.64	3.10
Revenue from Operations	333.22	515.91
Ratio	0.02	0.01
% Change from previous period / year	NA*	-99%

Reason for change more than 25%:

The ratio for the year ended March 31, 2021 has reduced on account of lower profit

9 Return on Capital Employed= EBIT/ Capital Employed

Particulars	August 31, 2021	March 31, 2021
Profit for the year (A)	6.64	3.10
Income tax expense (B)	1.67	5.96
Profit before tax (C=A+B)	8.31	9.06
Finance costs (D)	0.00	14.20
Earnings before interest & taxes (EBIT) (E=C+D)	8.31	23.26
Equity share capital (F)	537.30	537.30
Other equity (G)	4,107.33	4,102.36
Total Debt (H)	-	-
Deferred Tax Liabilities (I)	68.29	66.62
Intangible assets (J)	2,821.91	2,970.57
Capital Employed (H=F+G+H+I-J)	1,891.02	1,735.70
Return on Capital Employed= EBIT (E)/ Capital Employed (H)	0.00	0.01
% Change from previous period / year	NA*	-96%

Reason for change more than 25%:

The ratio for the year ended March 31, 2021 has reduced on account of lower profit

Note:- * Reason for change more than 25% for 31st August 2021 have not been reported as numbers are not comparable with 31st March 2021.



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NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AUGUST 31, 2021**35 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 its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Exposure to liquidity risk

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

August 31, 2021	Contractual Cash Flows (Rs in Lakhs)					
	Carrying amount	Total	On Demand	Less than 3 months	3-12 months	1-5 years
Trade Payables	0.36	0.36	-	0.36	-	-
Other Financial Liabilities	69.52	69.52	-	69.52	-	-

March 31, 2021	Contractual Cash Flows (Rs in Lakhs)					
	Carrying amount	Total	On Demand	Less than 3 months	3-12 months	1-5 years
Trade Payables	1.88	1.88	-	1.88	-	-
Other Financial Liabilities	32.65	32.65	-	32.65	-	-

Credit risk

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

In addition the Company has loan exposure to Subsidiaries and group entities.

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

	31/Aug/21	31/Mar/21
Investment in Debentures	46.00	
Loans	1,660.00	
Trade Receivables	84.51	70.87
Bank Balances in Current Account	63.49	185.29
Fixed Deposit	100.00	1,580.00
Interest Accrued	0.28	21.63



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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.

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 Company does not have any debt obligation of floating interest rate, hence no interest rate risk exists.

Equity Price Risk

The Company's Board of Directors reviews and approves all equity investment decisions. At the reporting date, there is no exposure to equity securities of other entities.

Currency Risk

The Company's primary business activities are within India and does not have significant exposure in foreign currency.

- 36 In the opinion of the Management, the value of all Current Assets, Loans and Advances and other receivables is not less than their realisable value in the ordinary course of business.
- 37 The Company does not have any pending litigation which would impact its financial position.
- 38 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.
- 39 The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business globally. The Company has considered the possible effects COVID-19 may have on the recoverability of Trade Receivables and impact on revenue. Based on current indicators there is no impact of Covid-19 on the company as we have seen no significant change in revenue during the period ended August 31, 2021 in comparison with revenue of FY 2020-21 inspite of lockdown condition.
- 40 Revised Schedule III disclosure
The Group has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassified as required. Considering the reclassification is not significant, a third balance sheet has not been given.
- 41 The figures of the previous years have been regrouped / rearranged wherever necessary.

As per our attached report of even date.

For Bagaria & Co. LLP
Chartered Accountants
Firm Reg No.113447W/W-100019


Pratha Agrawal
Partner
M.No. 179436
Place: Mumbai
Date: November 15, 2021



VGIN: 21179436AAAAJ@8591

For and on Behalf of Board of Directors


Amit Rathi
Director
DIN : 00029791


Vishal Laddha
Director
DIN : 0033628


Ashish Chauhan
Company Secretary

