

INDEPENDENT AUDITOR'S REPORT

To the Members of Anand Rathi Wealth Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the standalone financial statements of Anand Rathi Wealth Services Limited (Formerly Known as AR Venture Funds Management Limited) ('the Company'), which comprise the Balance Sheet as at March 31, 2019, 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 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, 2019, 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 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 Auditors' 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, Board's Report including Annexures to Board's Report, Business Responsibility Report and such other disclosures related Information, excluding the standalone financial statements and auditor's 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 financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the Other Information when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. 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 charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

5. Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Our audit process in accordance with the SAs is narrated in details in Annexure 1 to this report.

Report on Other Legal and Regulatory Requirements

6. 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 2, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
7. 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 financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



Khimji Kunverji & Co LLP

Chartered Accountants

- e. On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 3.
- 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 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:
 - (i) The Company does not have any pending litigations which would impact its financial position - Refer Note 34 of the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts. The Company did not have any other long-term 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
(Formerly Khimji Kunverji & Co - FRN 105146W)
Chartered Accountants

Hasmukh B Dedhia
Partner (F - 033494)
UDIN: 19033494AAAAEQ9275



Place: Mumbai
Date: July 16, 2019

Khimji Kunverji & Co LLP

Chartered Accountants

Annexure 1: referred to in paragraph 5 of Independent Auditors' Report of even date to the members of Anand Rathi Wealth Services Limited (formerly known as AR Venture Funds Management Limited) on the Financial Statements of the Company for the year ended March 31, 2019

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

- (i) 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.
- (ii) 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 in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) 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.
- (v) 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.
- (vi) 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.

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co- FRN 105146W)
Chartered Accountants



Hasmukh B Dedhia
Partner (F - 033494)
UDIN: 19033494AAAAEQ9275



Place: Mumbai
Date: July 16, 2019

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LLPIN-AAP-2267 [Converted from Khimji Kuverji & Co, a partnership firm with reg. no. 46150, into LLP w.e.f. May 08, 2019]

Khimji Kunverji & Co LLP

Chartered Accountants

Annexure 2: referred to in paragraph 6 of Independent Auditors' Report of even date to the members of Anand Rathi Wealth Services Limited (formerly known as AR Venture Funds Management Limited) on the Financial Statements of the Company for the year ended March 31, 2019

On the basis of such checks as we considered appropriate, we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) According to the information and explanations given to us and based on the records of the Company examined by us, fixed assets have been physically verified by the management at regular intervals; and no material discrepancies were noticed on such verification;
- c) The Company does not own any immovable property. Hence, clause i (c) of Paragraph 3 of the Order does not apply to it.
- (ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause 3 (ii) of the Order is not applicable to the Company.
- (iii) a) The Company has granted unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- b) As per the information and explanation given to us, the terms of the said loans are not, prima facie, prejudicial to the interest of the Company.
- c) The Schedule of repayment of principal and payment of interest is regular as and when they fall due. There were no overdues as at the date of Balance sheet.
- (iv) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has complied with applicable and relevant provisions of Section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) In respect of statutory dues:
 - a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods & Service tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no undisputed statutory dues payable in respect to above statutes, outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
 - b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there is no disputed Income tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax as on March 31, 2019 which have not been deposited.
- (viii) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions and banks. There are no loans or borrowings from government and the Company has not issued any debentures.



Khimji Kunverji & Co LLP

Chartered Accountants

- (ix) During the year the company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us, the term loans have been applied by the Company during the year for the purpose for which it was obtained.
- (x) During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
- (xi) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has complied with the provisions of Section 197 read with schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with the applicable provisions of Section 177 and 188 of the Act for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, clause 3(xiv) of the Order is not applicable.
- (xv) According to the records of the Company examined in course of our audit and as per the information and explanations given to us, the Company has not entered in any non-cash transactions with directors or persons connected with them. Hence, provisions of Section 192 are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co- FRN 105146W)
Chartered Accountants



Hasmukh B Dedhia
Partner (F - 033494)
UDIN: 19033494AAAAEQ9275
Place: Mumbai
Date: July 16, 2019



Annexure 3: referred to in paragraph 7(f) of Independent Auditors' Report of even date to the members of Anand Rathi Wealth Services Limited (formerly known as AR Venture Funds Management Limited) on the Financial Statements of the Company for the year ended March 31, 2019

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

We have audited the internal financial controls over financial reporting of Anand Rathi Wealth Services Limited (formerly known as AR Venture Funds Management Limited) ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal financial 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 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 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. 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 are established and maintained and whether 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 in the financial statements, whether due to fraud or error.

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



Khimji Kunverji & Co LLP

Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

Internal financial control over financial reporting is a process designed by the Company to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Further, 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 owing to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate or for other reasons.

Opinion

In our opinion, the Company has an internal financial controls system over financial reporting, design whereof needs to be enhanced to make it comprehensive. Based on verification of process controls matrixes, made available to us for the financial year under report and thereafter, in our opinion and considering the internal control over financial reporting criteria established by the Company 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 Company and nature of its business.

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co- FRN 105146W)
Chartered Accountants



Hasmukh B Dedhia
Partner (F - 033494)
UDIN: 19033494AAAAEQ9275



Place: Mumbai
Date: July 16, 2019

ANAND RATHI WEALTH SERVICES LIMITED
(Formerly known as A R Venture Fund Management Limited)
CIN : U67120MH1995PLC086696

IND AS STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(Rs in Lakh)

PARTICULARS	Notes	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
I ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	673.54	378.42
Other Intangible assets	4	268.08	540.45
Financial Assets			
- Investments	5(i)	5,384.22	1,179.41
- Loan	6(i)	412.95	235.25
- Other Financial assets	7(i)	50.00	25.00
Deferred Tax Assets (Net)	8	74.00	-
Other Non Current Assets	9	2,801.96	864.42
		9,664.75	3,222.95
Current Assets			
Financial Assets			
- Investments	5(ii)	7,508.54	5,008.10
- Trade Receivables	10	927.81	1,045.59
-Cash and Cash Equivalents	11	1,110.60	34.05
- Loans	6(ii)	678.42	4,885.86
- Other Financial Assets	7(ii)	1,034.01	2,219.32
Other Current Assets	12	367.81	526.50
		11,627.19	13,719.42
TOTAL ASSETS		21,291.94	16,942.37
II EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	1,345.43	1,344.30
Other Equity	14	14,130.35	7,635.32
		15,475.78	8,979.62
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	15(i)	36.84	49.67
Deferred Tax Liabilities (Net)	8	-	525.90
		36.84	575.57
Current Liabilities			
Financial liabilities			
- Borrowings	15(ii)	22.84	18.84
- Trade Payables	16	-	-
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises		7.50	43.17
- Other Financial Liabilities	17	1,963.23	4,307.81
Other Current Liabilities	18	399.17	502.49
Provisions	19	3,386.58	2,514.87
		5,779.32	7,387.18
TOTAL EQUITY AND LIABILITIES		21,291.94	16,942.37
Notes Forming Part of the Financial Statements	1-41		

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
(Formerly known as Khimji Kunverji & Co.)
Chartered Accountants
Firm Reg No.105146W

Amit Rathi
Managing Director
DIN : 00029791
06 July, 2019

Rakesh Rawal
Director & Chief Executive Officer
DIN : 02839168
15 July, 2019

Hasmukh B Dedhia
Partner
Membership No: F-033494
Mumbai 16th July 2019

Hardik Chauhan
Company Secretary
06 July, 2019

Rajesh Bhutra
Chief Financial Officer
06 July, 2019



ANAND RATHI WEALTH SERVICES LIMITED
(Formerly known as A R Venture Fund Management Limited)
CIN : U67120MH1995PLC086696

IND AS STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2019

(Rs in Lakh)

PARTICULARS	NOTES	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
I Revenue From Operation	20	26,760.12	21,049.35
II Other Income	21	1,296.25	879.34
Total Revenue		28,056.37	21,928.69
III Expenses :			
Employee Benefit Expenses	22	12,794.76	9,989.94
Finance Costs	23	332.53	872.81
Depreciation and Amortisation Expenses	3 & 4	385.07	351.83
Other Expenses	24	5,191.61	3,582.07
Total Expenses		18,703.97	14,796.65
IV Profit/(Loss) Before Tax		9,352.40	7,132.04
V Tax Expenses:			
1. Current tax	25	3,435.95	1,519.39
2. Deferred Tax		(599.89)	579.00
Total Tax Expenses		2,836.06	2,098.39
VI Profit/(Loss) for the Year		6,516.34	5,033.65
VII Other Comprehensive Income/(Loss)			
(A) (i) Items that will not be reclassified to profit or loss		(23.42)	(12.67)
(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		-	-
Total Other comprehensive Income/(Loss)		(23.42)	(12.67)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		6,492.92	5,020.98
VIII Earning Per Equity Share of FV of Rs. 5 each	29		
Basic		24.22	18.83
Diluted		23.78	18.47
Notes Forming Part of the Financial Statements	1-41		

As per our attached report of even date.

For and on Behalf of
Khimji Kunverji & Co LLP
(Formerly known as Khimji Kunverji & Co.)
Chartered Accountants
Firm Reg No.105146W

Hasmukh B Dedhia

Hasmukh B Dedhia
Partner
Membership No: F-033494
Mumbai 16th July, 2019



For and on Behalf of Board of Directors

Amit Rathi
Amit Rathi
Managing Director
DIN : 00029791
06 July, 2019

Hardik Chauhan
Hardik Chauhan
Company Secretary
06 July, 2019

Rakesh Rawal
Rakesh Rawal
Director & Chief Executive Officer
DIN : 02839168
15 July, 2019

Rajesh Bhutra
Rajesh Bhutra
Chief Financial Officer
06 July, 2019



ANAND RATHI WEALTH SERVICES LIMITED

(Formerly known as A R Venture Fund Management Limited)

CIN : U67120MH1995PLC086696

IND AS STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs in Lakh)

	2018-19	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	9,352.40	7,132.04
Add / (Less) :		
Depreciation & Amortisation	385.07	351.83
Interest Income	(474.81)	(277.11)
Interest Expenses	332.53	872.81
Gain on Sale of Investments	(246.55)	(33.81)
Fair Value of Financial Instruments	(106.71)	(2,844.85)
	(110.47)	(1,931.13)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9,241.93	5,200.91
Adjustment for :		
Trade Receivables & Other Current / Financial Assets	1,500.25	(2,125.31)
Other Financial / Current Liabilities	(1,574.78)	8,589.27
	(74.53)	6,463.96
CASH GENERATED FROM OPERATIONS	9,167.40	11,664.87
Add / (Less) :		
Direct Taxes Paid (Net)	(3,483.49)	(2,004.89)
NET CASH FROM OPERATING ACTIVITIES	5,683.91	9,659.98
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(391.82)	(344.47)
Sale of Fixed Assets	-	0.14
Acquisition of Customer relationship	-	(226.88)
Acquisition of Software	(16.00)	-
Advance for Property Purchase	(1,890.00)	-
(Loans Given)/Loans Repayment Received	4,207.44	(2,795.54)
Interest Received	474.02	276.30
Security Deposit Given	(177.70)	(129.12)
Investment in Subsidiaries	(4,204.81)	(927.41)
Purchase of Other Investment	(158,250.30)	(11,000.00)
Sale of Other Investment	156,004.94	6,033.81
Investment in Fixed Deposit	(25.00)	(25.00)
NET CASH FROM INVESTING ACTIVITIES	(4,269.23)	(9,138.17)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Loan Taken/(Repayment)	(8.84)	(2,400.71)
Interest Expenses	(332.53)	(872.81)
Issue of Shares	1.45	2,559.01
Change in ESOP Outstanding	1.79	0.25
NET CASH USED IN FINANCING ACTIVITIES	(338.13)	(714.26)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,076.55	(192.45)
CASH AND CASH EQUIVALENTS - Opening Balance	34.05	226.50
CASH AND CASH EQUIVALENTS - Closing Balance	1,110.60	34.05

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

- Cash in Hand	9.70	12.94
- Balance in Current Account	1,100.00	21.11
- Balance in Deposit Account	0.90	-
Total	1,110.60	34.05

Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 specified under section 33 of the Companies Act, 2013.

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
 (Formerly known as Khimji Kunverji & Co.)
 Chartered Accountants
 Firm Reg No. 105146W



Hasmukh B Dedhia
 Partner
 Membership No: F-033494
 Mumbai 16th July, 2019


 Amit Rathi
 Managing Director
 DIN : 00029791
 06 July, 2019


 Hardik Chauhan
 Company Secretary
 06 July, 2019


 Rakesh Rawal
 Director & Chief Executive Officer
 DIN : 02839168
 15 July, 2019


 Rajesh Bhutra
 Chief Financial Officer
 06 July, 2019



ANAND RATHI WEALTH SERVICES LIMITED

(Formerly known as A R Venture Fund Management Limited)

CIN : U67120MH1995PLC086696

STANDALONE STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

	Nos. in Lakh	INR Lakh
Equity shares of INR 10 each issued, subscribed and fully paid at 31 March 2017	130.50	1,305.00
Changes in equity share capital during the year	3.93	39.30
Equity shares of INR 10 each issued, subscribed and fully paid at 31 March 2018	134.43	1,344.30
Shares issued during the year for consideration of Rs 10 each	0.11	1.13
Subdivision of shares	134.55	-
Equity shares of INR 5 each issued, subscribed and fully paid at 31 March 2019	269.09	1,345.43

B. Other Equity

	Reserve and Surplus			ESOP Outstanding	Other Comprehensive Income	Total Other Equity
	Securities Premium	Retained Earnings				
Balance as at March 31, 2017	-	90.94	0.43		3.01	94.38
Profit for the Year	-	5,033.66	-		-	5,033.66
Remeasurement of the net defined benefit liability/asset	-	-	-		(12.67)	(12.67)
Total	-	5,124.59	0.43		(9.66)	5,115.36
Issue of shares on premium	2,519.71	-	-		-	2,519.71
Total	2,519.71	5,124.59	0.43		(9.66)	7,635.07
Addition in Share Options during the year	-	-	0.43		-	1.74
Less : Utilisation during the year	-	-	1.74		-	(1.49)
Balance as at March 31, 2018	2,519.71	5,124.59	0.68		(9.66)	7,635.32
Balance as at April 1, 2018	2,519.71	5,124.59	0.68		(9.66)	7,635.32
Profit for the Year	-	6,516.34	-		-	6,516.34
Remeasurement of the net defined benefit liability/asset	-	-	-		(23.42)	(23.42)
Total	2,519.71	11,640.93	0.68		(33.08)	14,128.24
Issue of shares on premium	0.32	-	-		-	0.32
Total	2,520.03	11,640.93	0.68		(33.08)	14,128.56
Addition in Share Options during the year	-	-	2.11		-	2.11
Less : Utilisation during the year	-	-	(0.32)		-	(0.32)
Balance as at March 31, 2019	2,520.03	11,640.93	2.47		(33.08)	14,130.35

As per our attached report of even date.

For and on Behalf of
Khimji Kunverji & Co LLP
 (Formerly known as Khimji Kunverji & Co.)
 Firm Reg No.105146W

Resechnig.
 Hasmukh B Dedhia
 Partner
 Membership No: F-033494
 Mumbai 16th July, 2019

For and on Behalf of Board of Directors

Amit
 Amit Rathi
 Managing Director
 DIN : 00029791
 06 July, 2019

Hemant
 Hardik Chauhan
 Company Secretary
 Mumbai 06 July, 2019

Rakesh
 Rakesh Rawal
 Director & Chief Executive Officer
 DIN : 02839168
 15 July, 2019

Rajesh
 Rajesh Bhutra
 Chief Financial Officer
 06 July, 2019



ANAND RATHI WEALTH SERVICES LTD

(Formerly known as A R Venture Fund Management Limited)

CIN : U67120MH1995PLC086696

NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 CORPORATE INFORMATION

Anand Rathi Wealth Services Limited ("the Company") (Formerly known as A R Venture Fund Management Limited) 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. 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 July 6, 2019.

(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) **Amortisation of Customer relationship cost:** During the year 2016-17 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. Company expects that it will get future economic benefit of it over the period of 3 years.



ANAND RATHI WEALTH SERVICES LTD

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(ii) **Depreciation / Amortisation and useful lives of property, plant and equipment:** Company depreciates its tangible assets over the useful life of an Asset as prescribed under Part C of Schedule II of Companies Act, 2013. Company 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. 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. 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.

(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, 2019

(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	3 years
Motor Car	8 years
Furniture and Fixtures	10 years

(ii) Improvements on leased premises are depreciated over the lease period.

(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.

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

(iv) **Deemed cost on transition to Ind AS:** For transition to Ind AS, the Company had 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 had used that carrying value as its deemed cost on 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.

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

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.



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 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.



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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.

(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.



ANAND RATHI WEALTH SERVICES LTD

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(k) Leases

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability of each year.

Leases other than Finance Lease are classified as operating lease. Operating lease payments are recognised as an expense in the statement of Profit & Loss on a straight line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the expected inflationary increase, such increases are recognised in the year in which such benefits accrue.

(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 - 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, Portfolio Management Service (PMS), Referral fees, Consultancy income, Advisory fees, 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 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.



ANAND RATHI WEALTH SERVICES LTD

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(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 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 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 SERVICES LTD

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(t) Recent Indian Accounting Standards (IND AS)

(i) New standard Ind AS 116: Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 - Leases on March 30, 2019.

Ind AS 116 - Leases, replaces Ind AS 17 - Leases. The new standard introduces a single on-balance sheet lease accounting model for lessee. This will result in the Company recognizing right of use assets & lease liability in the books.

(ii) Amendments to other Ind AS's

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on March 30, 2019 which is effective for the annual period beginning or after April 01, 2019.

Ind AS 12 - Appendix C, Uncertainty over Income Tax Adjustments

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company have used in tax computation or plan to use in their income tax filings.

Amendment to Ind AS 12 - Income taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Ind AS 23 - Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Company is in the process of analyzing the impact of above amendments on its financial statements.
The amendment will come into force from April 01, 2019.



ANAND RATHI WEALTH SERVICES LIMITED

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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3 PROPERTY, PLANT AND EQUIPMENT							(Rs in Lakh)	
Description	Leasehold Improvements	Computer equipment	Vehicles	Office equipments	Furniture & Fixtures	Total		
Gross Block as at April 1, 2018	52.36	145.60	151.16	15.98	102.44	415.18		
Additions	-	122.11	13.27	44.15	159.93	391.82		
Disposals	-	-	-	-	-	-		
Gross Block as at March 31, 2019	52.36	267.71	164.43	60.13	262.37	807.00		
Accumulated depreciation as at April 1, 2018	-	18.61	14.35	0.98	2.82	36.76		
Depreciation for the year	1.31	54.37	19.30	6.52	15.20	96.70		
Less : Disposals	-	-	-	-	-	-		
Accumulated depreciation as at March 31, 2019	1.31	72.98	33.65	7.50	18.02	133.46		
Net carrying amount as at March 31, 2019	51.05	194.73	130.78	52.63	244.35	673.54		
4 OTHER INTANGIBLE ASSETS								
Description	Leasehold Improvements	Computer equipment	Vehicles	Office equipments	Furniture & Fixtures	Total		
Gross Block as at April 1, 2017	-	13.98	54.97	1.98	-	70.93		
Additions	-	131.84	96.19	14.00	102.44	344.47		
Disposals	-	-	0.22	-	-	0.22		
Gross Block as at March 31, 2018	-	145.60	151.16	15.98	102.44	415.18		
Accumulated depreciation as at April 1, 2017	-	0.52	0.31	0.04	-	0.87		
Depreciation for the year	-	18.17	14.04	0.94	2.82	35.97		
Less : Disposals	-	0.08	-	-	-	0.08		
Accumulated depreciation as at March 31, 2018	-	18.61	14.35	0.98	2.82	36.76		
Net carrying amount as at March 31, 2018	-	126.99	136.81	15.00	99.62	378.42		
5 OTHER INTANGIBLE ASSETS							(Rs in Lakh)	
Description	Software	Customer Relationship	Total					
Gross Block as at April 1, 2018	-	856.31	856.31					
Additions	16.00	-	16.00					
Disposals	-	-	-					
Gross Block as at March 31, 2019	16.00	856.31	872.31					
Accumulated amortisation as at April 1, 2018	-	315.86	315.86					
Amortisation for the year	2.94	285.43	288.37					
Less : Disposals	-	-	-					
Accumulated amortisation as at March 31, 2019	2.94	601.29	604.23					
Net carrying amount as at March 31, 2019	13.06	255.02	268.08					
6 OTHER INTANGIBLE ASSETS							(Rs in Lakh)	
Description	Software	Customer Relationship	Total					
Gross Block as at April 1, 2017	-	629.43	629.43					
Additions	-	226.88	226.88					
Disposals	-	-	-					
Gross Block as at March 31, 2018	-	856.31	856.31					
Accumulated amortisation as at April 1, 2017	-	315.86	315.86					
Amortisation for the year	-	315.86	315.86					
Less : Disposals	-	-	-					
Accumulated amortisation as at March 31, 2018	-	315.86	315.86					
Net carrying amount as at March 31, 2018	-	540.45	540.45					



ANAND RATHI WEALTH SERVICES LIMITED
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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

5 INVESTMENTS

(Rs in Lakh)

	AS AT MARCH 31, 2019 Qty. in Nos.	AS AT MARCH 31, 2018 Qty. in Nos.	AS AT MARCH 31, 2019 Amount	AS AT MARCH 31, 2018 Amount
--	---	---	-----------------------------------	-----------------------------------

(i) Investments - Non current

Un-Quoted - Fully Paid

Investment in Equity Shares of Subsidiaries at Cost

AR Wealth Management Private Limited*

Freedom Wealth Solutions Private Limited**

4,057,059	2,791,625	5,147.05	942.24
2,371,625	2,371,625	237.17	237.17

5,384.22 1,179.41

Aggregate amount of Quoted Investment and market value thereof

Aggregate amount of Un-quoted Investment

Aggregate amount of impairment in value of investments.

- -
5,384.22 1,179.41
- -

*During the year Company has purchased 12,65,434 shares of A R Wealth Management Private Limited for consideration of Rs 4204.81 lakhs.

** During the financial year 17-18, Company had purchased 23,71,625 shares of Freedom Wealth Solutions Private Limited on 25.09.2017 for consideration of Rs 237.17 lakhs, making it the Company's direct subsidiary.

(Rs in Lakh)

(ii) Investments - Current

	AS AT MARCH 31, 2019 Qty. in Nos.	AS AT MARCH 31, 2018 Qty. in Nos.	AS AT MARCH 31, 2019 Amount	AS AT MARCH 31, 2018 Amount
--	---	---	-----------------------------------	-----------------------------------

Quoted - Fully Paid up

Investment in Mutual Fund at Fair Value through Profit and Loss

HDFC Cash Management Fund*

Reliance Liquid Fund*

SBI Premier Liquid Fund*

LIC Liquid Fund - Regular Plan -Growth

Reliance Liquid Fund - Growth Plan*

Aditya Birla Sunlife Liquid Fund - Growth*

-	55,640.81	-	2,002.77
-	47,450.01	-	2,003.46
-	36,893.10	-	1,001.87
133,776.26	-	4,504.54	-
22,070.90	-	1,001.84	-
669,607.58	-	2,002.16	-

7,508.54 5,008.10

* The units have been pledged as collateral for margin

Aggregate amount of Quoted Investment and market value thereof

Aggregate amount of Un-quoted Investment

Aggregate amount of impairment in value of investments

7,508.54 5,008.10
- -
- -



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6 LOANS		(Rs in Lakh)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(i)	Loans - Non current		
	(Un Secured, Considered Good)		
	Security Deposits	412.95	235.25
		412.95	235.25
		(Rs in Lakh)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(ii)	Loans - Current		
	Intercorporate Deposit To Related Party		
	(Secured, Considered Good)		
	Anand Rathi Global Finance Ltd	-	1,500.00
	(Un Secured, Considered Good)		
	A R Wealth Management Private Ltd	456.38	2,101.19
	Ffreedom Intermediary Infrastructure Pvt Ltd	202.37	1,284.67
	Others	19.67	-
		678.42	4,885.86
		(Rs in Lakh)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
7	OTHER FINANCIAL ASSETS		
(i)	Other Financial Assets - Non current		
	Fixed Deposit with Bank	50.00	25.00
	(Above is under Lien against Bank Overdraft)		
		50.00	25.00
		(Rs in Lakh)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(ii)	Other Financial Assets - Current		
	Margin on Options	-	1,630.78
	<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 Debentures	1,020.26	588.54
	In Edelweiss Debenture	13.75	-
		1,034.01	2,219.32
	Aggregate amount of Un-quoted Securities	1,034.01	588.54



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

		(Rs in Lakh)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
8	DEFERRED TAX ASSETS / (LIABILITIES)		
	Depreciation	45.77	19.03
	Long Term Capital Loss	8.80	8.80
	Leave Provision	50.50	39.10
	Fair Valuation of Financial Instruments	(31.07)	(828.42)
	MAT Credit Entitlements	-	235.59
		74.00	(525.90)
		(Rs in Lakh)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
9	OTHER NON CURRENT ASSETS		
	Capital Advances	1,890.00	-
	Advance Tax including Tax Deducted at Source (Net of Provision for Tax)	911.96	864.42
		2,801.96	864.42
		(Rs in Lakh)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
10	TRADE RECEIVABLES		
	(Unsecured, Considered good)		
	Outstanding for a period exceeding six months from due date	-	-
	Others	927.81	1,045.59
		927.81	1,045.59
		(Rs in Lakh)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
11	CASH AND CASH EQUIVALENTS		
	Balances with Banks		
	- in Current Accounts	0.90	21.11
	- in Deposit Accounts	1,100.00	-
	Cash on Hand	9.70	12.94
		1,110.60	34.05
		(Rs in Lakh)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
12	OTHER CURRENT ASSETS		
	(Unsecured, Considered good)		
	Accrued Interest	1.59	0.81
	Staff Advances	152.29	411.48
	Prepaid Expenses	68.77	53.83
	GST Input Credit	132.47	19.26
	Advance to Others	12.69	15.06
	Others	-	26.06
		367.81	526.50



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

13 EQUITY SHARE CAPITAL	(Rs in Lakh)	
	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Authorised		
4,00,00,000 (FY 18 - 2,00,00,000 of Rs.10/- each) Equity Shares of Rs.5/-each	2,000.00	2,000.00
	2,000.00	2,000.00
Issued,Subscribed And Paid Up		
2,69,08,600 (FY 18 - 1,34,43,040 of Rs 10/- each) Equity Shares of Rs.5/-each Fully Paid Up	1,345.43	1,344.30
	1,345.43	1,344.30

(i) Reconciliation for No. of shares outstanding during the year

Equity Shares	2018-19		2017-18	
	No. of Shares	(Rs in Lakh)	No. of Shares	(Rs in Lakh)
Shares outstanding at the beginning of the year	13,443,040	1,344.30	13,050,000	1,305.00
Shares Issued during the year for consideration of Rs 10 each	11,260	1.13	393,040	39.30
Subdivision of shares	13,454,300	-	-	-
Shares outstanding at the end of the year	26,908,600	1,345.43	13,443,040	1,344.30

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.

(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 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.

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 MARCH 31, 2019		AS AT MARCH 31, 2018	
	No. of shares held (of Rs 5 each)	% of Holdings	No. of shares held (of Rs 10 each)	% of Holdings
Anand Rathi Financial Services Limited	12,054,082	44.80	6,054,587	45.04
Anand Rathi	3,658,260	13.60	2,134,131	15.88
Pradeep Kumar Gupta	1,510,508	5.61	755,254	5.62

(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, 2018	-	-	-
March 31, 2017	6,230,464	-	-
March 31, 2016	-	-	-
March 31, 2015	-	-	-
March 31, 2014	-	-	-

(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. 30



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

		(Rs in Lakh)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
14	OTHER EQUITY		
(a)	Securities Premium		
	Opening balance	2,519.71	-
	Add: Addition During the Year	0.32	2,519.71
	Balance as at year end	2,520.03	2,519.71
(b)	Share Options Outstanding Account		
	Opening Balance	0.68	0.43
	Addition during the year	2.11	1.74
	Less : Transferred to Securities Premium	(0.32)	(1.49)
	Balance as at year end	2.47	0.68
(c)	Retained Earnings		
	Opening Balance	5,124.59	90.94
	Add: Profit During the Year	6,516.34	5,033.65
	Balance as at year end	11,640.93	5,124.59
(d)	Other Comprehensive Income		
	Opening Balance	(9.66)	3.01
	Remeasurement of defined employee benefit plan	(23.42)	(12.67)
	Balance as at year end	(33.08)	(9.66)
	TOTAL OTHER EQUITY	14,130.35	7,635.32

(a) 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.

(b) Share Option Outstanding Account

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

(c) Retained earnings

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

(d) Other Comprehensive Income (OCI)

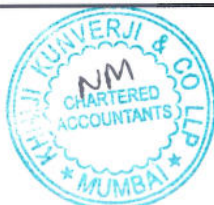
OCI includes remeasurement of defined employee benefit plan on account of Actuarial Gains and Losses as per Ind AS 19 Employee Benefits.

		(Rs in Lakh)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
15	BORROWINGS		
(i)	Borrowings - Non current		
	Secured Loan from Banks (Secured against hypothecation of vehicles purchased)	36.84	49.67
		36.84	49.67

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 during the year)



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(Rs in Lakh)

(ii) Borrowings - Current

Current Maturity of Secured Loan from Banks

AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
22.84	18.84
22.84	18.84

(Rs in Lakh)

16 TRADE PAYABLES

Total outstanding dues of micro, small and medium enterprises *

Total outstanding dues to other than micro, small and medium enterprises

AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
-	-
7.50	43.17
7.50	43.17

* 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

(Rs in Lakh)

17 OTHER FINANCIAL LIABILITIES

Other Financial Liabilities - Current

Employee Benefits Payable

Option Premium

Provision for Expenses

AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
564.32	436.64
1,190.88	3,743.14
208.03	128.03
1,963.23	4,307.81

(Rs in Lakh)

18 OTHER CURRENT LIABILITIES

Statutory Dues

Book Overdraft

AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
306.68	502.49
92.49	-
399.17	502.49

(Rs in Lakh)

19 PROVISIONS

Employee Benefit Liabilities - Current

Gratuity Provision (Refer Note no. 22)

Leave Provision

Incentive Provision

AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
87.32	90.21
173.41	134.28
3,125.85	2,290.38
3,386.58	2,514.87



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

	(Rs in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
20 REVENUE FROM OPERATION		
Mutual Fund Distribution Income	10,122.50	8,693.62
Income from Distribution & Sale of Financial Product	14,321.39	6,469.44
Gain on Derivative Transaction	2,316.23	5,886.29
	26,760.12	21,049.35
		(Rs in Lakh)
21 OTHER INCOME	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Interest Income	474.81	277.11
Gain on sale of Investment	246.55	33.81
Misc and Other Income	574.89	568.42
	1,296.25	879.34
		(Rs in Lakh)
22 EMPLOYEE BENEFIT EXPENSES	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Salaries, Incentive & Allowances	12,097.76	9,460.39
Contribution to Provident and Other Funds	597.44	486.21
Share based Payments to Employees (Refer Note.30)	2.11	1.74
Staff Welfare Expenses	97.45	41.60
	12,794.76	9,989.94

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, 2019**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, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Amounts recognized in the Balance Sheet in respect of gratuity (funded by the Company):		
Present value of the funded defined benefit obligation at the end of the period	416.78	325.63
Less: Fair value of plan assets	329.46	235.42
Net Liability/(Asset)	87.32	90.21
Amounts recognized in Salary, Wages and Employee Benefits in the Profit and Loss Account in respect of gratuity (funded by the Company):		
Current Service cost	58.22	29.31
Interest on Defined Benefit Obligations	23.81	11.65
Expected return on plan assets	(18.13)	(15.80)
Past Service Cost - Vested Benefit recognised during the period	-	101.23
Net Gratuity Cost	63.90	126.39
Amount recognized in Other Comprehensive Income (OCI)		
Amount recognized in OCI in beginning of the period	9.67	(3.01)
Remeasurement due to:		
Effect of Change in financial assumptions	6.64	(16.07)
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	25.48	30.46
Actuarial (Gains)/Losses	32.12	14.39
Less : Return on plan assets (excluding interest)	8.70	1.72
Total remeasurements recognized in OCI	23.42	12.67
Amount recognized in OCI, End of Period	33.09	9.67
Actual Return on Plan Assets :		
Expected Return on Plan Assets	18.13	15.80
Actuarial gain/(loss) on Plan Assets	8.70	1.72
Actual Return on Plan Assets	26.83	17.52



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**Reconciliation of present value of the obligation and the fair value of the plan assets:****Change in present value of obligation:**

Opening Defined Benefit Obligation	325.63	169.05
Current Service Cost	58.22	29.31
Interest Cost	23.81	11.65
Liability Transferred out	-	-
Actuarial (Gain)/loss	32.12	14.39
Benefits Paid	(23.00)	-
Past Service Cost	-	101.23
Closing Defined Benefit Obligation	416.78	325.63

Change in fair value plan assets:

Opening Fair Value of the plan assets	235.42	217.91
Expected return on plan assets	18.13	15.80
Actual Enterprise's Contribution	90.21	-
Actual Benefits Paid	(23.00)	-
Actuarial Gain/(loss)	8.70	1.72
Closing Fair value of the plan assets	329.46	235.42

Investment details of plan assets

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

Experience Adjustment

Defined Benefit Obligation	416.78	325.63
Plan Assets	329.46	235.42
(Surplus)/deficit	87.32	90.21
Actuarial (Gains)/Losses on Obligations - Due to Experience	32.12	14.39
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	8.70	1.72

Weighted average duration of Define benefit obligation	12.61 Yrs	12.43 Yrs
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Maturity profile of defined benefit obligation

Within next 12 months	35.56	32.87
Between 1 and 5 Years	116.97	86.40
Between 5 and 10 Years	110.74	102.30



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 31 March, 2019 the estimated term of liabilities is 12.61 years, corresponding to which YTM on government bonds is 7.55%, 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

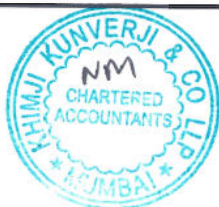
It is based on Indian Assured Lives Mortality (2006-08) Ult. as issued by Institute of Actuaries of India for the actuarial valuation.

General Description fair value of the plan:

The Company has insurer Managed Fund.

Principal Actuarial Assumptions:

Discount rate	7.55%	7.70%
Salary Escalation Rate	5.00%	5.00%
Attrition Rate	For Service 4 yrs & below 20% p.a. & service above 4 yrs 2% p.a	For Service 4 yrs & below 20% p.a. & service above 4 yrs 2% p.a
Retirement Age	60 years	60 years



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**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)	416.78	325.63
Discount Rate		
Increase by 50 bps	395.27	309.15
Impact of increase by 50 bps in Percentage	-5.16%	-5.06%
Decrease by 50 bps	440.20	343.56
Impact of decrease by 50 bps in Percentage	5.62%	5.51%
Salary Growth Rate		
Increase by 50 bps	423.90	330.96
Impact of increase by 50 bps in Percentage	1.71%	1.64%
Decrease by 50 bps	408.69	319.33
Impact of decrease by 50 bps in Percentage	-1.94%	-1.93%
Expected contribution for the next financial year	35.56	32.87

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 511.37 Lakhs (FY 2017-18 Rs 387.72 Lakhs).



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

	(Rs in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
23 FINANCE COSTS		
Interest Paid	332.53	872.81
	332.53	872.81
	(Rs in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
24 OTHER EXPENSES		
Business Support Charges	733.85	840.51
Manpower Outsource Expenses	317.63	254.69
Legal & Professional Charges	430.75	75.78
Director Sitting Fees	9.00	0.20
Electricity Expenses	56.63	37.01
Communication Expenses	59.11	58.73
Printing and Stationery	121.86	56.66
Postage and Telegram	29.09	14.34
Rent, Rates and Taxes	1,147.98	426.04
Repairs and Maintainance	83.79	42.37
Recruitment & Training	24.66	22.20
Business Promotion and Marketing Expenses	1,152.09	677.99
Computer & Software Main. Charges	32.98	32.40
Client Claim	69.89	67.42
Travelling & Conveyance Expenses	561.23	393.77
Auditors Remuneration		
Audit Fees	5.00	5.00
Others	1.27	2.50
Donation	82.65	180.17
CSR Expenses	30.00	-
Transaction Charges	68.63	188.56
Miscellaneous & General Expenses	173.52	205.73
	5,191.61	3,582.07



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

25 INCOME TAX EXPENSE	(Rs in Lakh)	
	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Current Tax		
Current tax on profit for the year	3,435.95	1,519.39
Total Current tax expenses	3,435.95	1,519.39
Deferred Tax		
Decrease / (Increase) in deferred tax assets	(38.13)	(27.68)
(Decrease) / Increase in deferred tax liabilities	(797.35)	828.42
MAT credit	235.59	(221.74)
Total deferred tax expenses / benefit	(599.89)	579.00
Total Income Tax Expenses	2,836.06	2,098.39

Effective Tax Rate Reconciliation

Particulars	March 31, 2019	March 31, 2018
Applicable Tax Rate	29.12	28.84
Profit before tax	9,352.40	7,132.04
Tax Expenses as per above rate	2,723.42	2,056.88
Tax Impact Due to:		
Expenses Disallowed	988.52	111.13
Exempt Income	(31.07)	(820.45)
Deductions u/s 80G	(12.03)	(25.98)
Carry Forward Business Losses / (Utilised)	-	(23.92)
On Account of Previous Year Adjustments	2.70	-
On Account of MAT credit	(235.59)	221.74
Total Current Tax	3,435.95	1,519.39
Incremental Deferred Tax Assets on account of Property, Plant and Equipment and Other Intangible Assets	(26.74)	(16.68)
Deferred Tax creation/utilisation of carry forward losses	-	28.11
Incremental Deferred Tax (Asset) / Liability on account of Financial Assets and Other Items	(808.74)	789.32
MAT credit	235.59	(221.74)
Total Deferred Tax	(599.89)	579.00
Total Tax Expenses Recognised	2,836.06	2,098.39
Effective Tax Rate	30.32	29.42

For the current financial year tax is charged @ 29.12% (i.e. 25% Basic Tax, 12% Surcharge on Basic Tax and 4% Cess on Basic Tax and Surcharge). For last financial year applicable tax rate was 28.84% (i.e. 25% Basic Tax, 12% Surcharge on Basic Tax and 3% Cess on Basic Tax and Surcharge).



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**26 OPERATING SEGMENTS**

The Company is engaged in Services for Distribution and Sale of Financial Products. As such there are no reportable primary and secondary segments.

27 OPERATING LEASE

The operating leases for premises are executed for a period ranging from 36 months to 60 months with a renewal clause. The lease rental charged during the year is Rs 1102.70 lakhs (P.Y. Rs 425.06 lakhs)

Minimum lease rentals outstanding in respect of non-cancellable operating lease are as under:

Due	(Rs in Lakh)	
	As at 31.03.2019	As at 31.03.2018
Not later than 1 year	795.43	449.12
Later than 1 year and not later than 5 years	1,663.03	808.38
Later than 5 years	-	-
Total	2,458.46	1,257.50

General Description of leasing agreements

Leased Assets - Offices

Future lease rentals are determined on the basis of agreed terms

At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing

Lease agreements are renewable by mutual consent on mutually agreed terms

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

AR Wealth Management Private Limited

Freedom Wealth Solutions Private Limited

Ffreedom Intermediary Infrastructure Private Limited

(Subsidiary of AR Wealth Management 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 Bhutra, CFO (w.e.f 10-7-2018)

Amol Jayawant Bhabal, CFO (Upto 10-07-2018)

Hardik Chauhan (w.e.f 30-11-2018)

Dilip Balakrishnan, Company Secretary (Upto 30-11-2018)

(iv) Other Related Parties :

Anand Rathi Global Finance Limited

Anand Rathi Advisors Limited

Anand Rathi Share and Stock Brokers Limited

Anand Rathi Commodities Limited

Anand Rathi Insurance Brokers Limited

Anand Rathi IT Private Limited (Upto 20-09-2017)

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)



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

(Rs in Lakh)

Nature of Transaction/Relationship	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
(i) Loan Given		
Subsidiary	3,533.03	7,225.50
Entity of which the Company is an Associate	380.00	-
Other Related Parties	30,841.62	3,692.13
(ii) Loan Repayment Received		
Subsidiary	6,411.10	5,929.96
Entity of which the Company is an Associate	380.00	-
Other Related Parties	32,341.62	-
(iii) Loan Taken		
Entity of which the Company is an Associate	13,520.00	158,022.12
Other Related Parties	232,018.04	54,433.64
(iv) Loan Repaid		
Entity of which the Company is an Associate	13,520.00	160,450.56
Other Related Parties	232,018.04	54,433.64
(v) Security Deposit Given		
Other Related Parties	-	35.00
(vi) Security Deposit Repayment Received		
Other Related Parties	-	35.00
(vii) Purchase of Debentures		
Other Related Parties	173,267.31	87,499.43
(viii) Support Service Given		
Subsidiary	202.77	322.88
Entity of which the Company is an Associate	-	-
Other Related Parties	362.97	237.44
(ix) Support Service Taken		
Subsidiary	25.32	6.01
Entity of which the Company is an Associate	598.80	458.74
Other Related Parties	469.32	859.55
(x) Brokerage Paid		
Other Related Parties	7.72	19.20
(xi) Interest Received		
Subsidiary	358.91	266.43
Other Related Parties	83.95	-
(xii) Interest Paid		
Entity of which the Company is an Associate	4.59	746.79
Other Related Parties	319.46	112.80
(xii) Rent Paid		
Entity of which the Company is an Associate	14.40	-
Other Related Parties	0.40	-
(xiii) Brand Charges		
Entity of which the Company is an Associate	35.59	-



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(xiv) Rent Received			
Other Related Parties	0.60	-	
(xv) Commision Received			
Other Related Parties	1,073.75	-	
(xvi) Referral fees Received			
Other Related Parties	405.86	-	
(xvii) Remuneration paid to KMP			
Short Term Employee Benefits	554.81	905.51	
Share Based Payments	0.02	0.02	
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)	
		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(c) Outstanding Balances			
(i) Loan			
Subsidiary	658.75	3,385.86	
Other Related Parties	-	1,500.00	
(ii) Margin Balance			
Other Related Parties	-	1,630.78	

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: There are no provision for doubtful debts/advances or amount written off or written back of debts due from / due to related parties.

Note 3: Related party relationships have been identified by the Management and relied upon by the Auditors.

29 EARNING PER SHARE	2018-19	2017-18
Net Profit after tax	6,516.34	5,033.65
Number of equity shares as at the end of the year	26,908,600	26,886,080
Face Value Per Share (in Rs)	5	5
Weighted Average number of equity shares	26,900,517	26,725,844
Diluted Weighted Average number of equity shares	27,406,228	27,253,237
Earnings Per Share (in Rs)		
- Basic	24.22	18.83
- Diluted	23.78	18.47

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. The earnings per share for FY 2017-18 has been restated accordingly.

30 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.

During the financial year 2016-17, the Board of Directors has 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 3,20,000 Options at an exercise price of 10/- per option to the Employees.



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The details of options are as under:

	FOR THE YEAR ENDED MARCH 31, 2019 (Nos.)	FOR THE YEAR ENDED MARCH 31, 2018 (Nos.)
Outstanding at the beginning of the year	267,260	320,000
Add: Granted during the year	-	-
Less: Exercised and shares allotted during the year	11,260	52,740
Less: Exercised but pending allotment	-	-
Less: Forfeited/cancelled during the year	-	-
Less: Lapsed during the year	-	-
Outstanding at the end of the year	256,000	267,260
Exercisable at the end of the year	64,000	11,260

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 10/-, Standard Deviation of 52.44%, life of option being 2.7 years, 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

The options are exercisable within 6 months from the vesting date.

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

Particulars	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Total Carrying Amount	2.47	0.68
Amount debited to Profit & Loss account	2.11	1.74

31 CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year the Company became liable to spend towards Corporate Social Responsibility under Section 135 of The Companies Act, 2013.

Particulars	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Amount required to be spent	28.68	-
Amount spent during the year - for developing and empowering Rural India	30.00	-

32 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 :

	March 31, 2019	March 31, 2018
Equity	1,345.43	1,344.30
Other Equity	14,130.35	7,635.32
Total Equity (A)	15,475.78	8,979.62
Borrowings	59.68	68.51
Total Debt (B)	59.68	68.51
Total Debt and Equity (C=A+B)	15,535.46	9,048.13
Capital Gearing Ratio (B/C)	0.004	0.01



33 BUSINESS COMBINATIONS

The Company had acquired following equity shares at fair value during the year and 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 Wealth Management Private Limited (ARWMPL) is engaged in the business of Digital Wealth Management. The consideration paid for shares of ARWMPL 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.

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

Name of Company	No. of Shares	% of Shares Acquired
AR Wealth Management Private Limited		
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 16, 2018	5,574	0.13%
March 22, 2018	58,361	1.40%
May 3, 2018	1,194,029	7.07%
February 5, 2019	13,044	0.24%
March 27, 2019		
Freedom Wealth Solutions Private Limited		
Sept 25, 2017	2,371,625	95.01%

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

35 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.

36 During the year, the Company has paid and advance of Rs. 1890 lakh for purchase of office property. The Capital Commitment in this regard is Rs. 5,110 lakh.

37 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, 2019 and March 31, 2018 has been made in the financial statements based on information received and available with the Company. Further in view of the Management there is no interest payable in accordance with the provisions of the Act. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
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	-	-
	-	-



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38 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, 2019	Carrying Amount	Fair value			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets					
(i) Mutual Fund	7,508.55 (5,008.10)	7,508.55 (5,008.10)	- -	- -	7,508.55 (5,008.10)
(ii) Unquoted Debentures	1,034.02 (588.54)	- -	1,034.02 (588.54)	- -	1,034.02 (588.54)
Amortised Cost					
(i) Loans	678.42 (4,885.86)	- -	- -	- -	- -
(ii) Security Deposit	412.95 (235.25)	- -	- -	- -	- -
(iii) Trade receivables	927.81 (1,045.59)	- -	- -	- -	- -
(iv) Cash and cash equivalents	1,110.60 (34.05)	- -	- -	- -	- -
(v) Margin on Options	- (1,630.78)	- -	- -	- -	- -
(vi) Other Financial Assets	50.00 (25.00)	- -	- -	- -	- -
	11,722.35 (13,453.17)	7,508.55 (5,008.10)	1,034.02 (588.54)	- -	8,542.57 (5,596.64)



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**Financial liabilities****FVTPL**

(i) Option Premium	1,190.88	1,084.48	106.40	-	1,190.88
	(3,743.14)	-	(3,743.14)	-	(3,743.14)
Amortised Cost					
(i) Borrowings	59.68	-	-	-	-
	(68.51)	-	-	-	-
(ii) Trade payables	7.50	-	-	-	-
	(43.17)	-	-	-	-
(iii) Other Financial Liabilities	772.35	-	-	-	-
	(564.67)	-	-	-	-
	2,030.41	1,084.48	106.40	-	1,190.88
	(4,419.49)	-	(3,743.14)	-	(3,743.14)

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

Note 2 - Investment in Equity Shares of Subsidiaries of Rs. 5384.22 lakh (Rs. 1179.41) 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.
- (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. The valuation of unquoted index options is done through Black and Scholes model.



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NOTES TO IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

39 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 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, 2019	Carrying amount	Total	Contractual cash flows (Rs in Lakh)			
			On Demand	Less than 3 months	3-12 months	1-5 years
Borrowings	59.68	59.68	-	5.51	17.33	36.84
Trade Payables	7.50	7.50	-	7.50	-	-
Other Financial Liabilities	1,963.23	1963.23	1,190.88	772.35	-	-

March 31, 2018	Carrying amount	Total	Contractual cash flows (Rs in Lakh)			
			On Demand	Less than 3 months	3-12 months	1-5 years
Borrowings	68.51	68.51	-	4.55	14.29	49.67
Trade Payables	43.17	43.17	-	43.17	-	-
Other Financial Liabilities	4,307.81	4,307.81	3,743.14	564.67	-	-

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

	(Rs in Lakh)	
	March 31, 2019	March 31, 2018
Loans	678.42	4,885.86
Security Deposit	412.95	235.25
Trade Receivables	927.81	1,045.59
Investment in Debentures	1,034.01	588.54
Investment in Mutual Funds	7,508.55	5,008.10
Option Premium	-	-
Margin Balance with Broker	-	1,630.78
Fixed Deposits with Banks	1,150.00	25.00
Bank Balances in Current Account	0.90	21.11

(i) AGE OF RECEIVABLES

Within the credit period

1-30 days Past Dues

31-60 days Past Dues

61-90 days Past Dues

More than 90 days past dues

	(Rs in Lakh)	
	As at March 31, 2019	As at March 31, 2018
1-30 days Past Dues	924.70	1,043.62
31-60 days Past Dues	1.37	1.97
61-90 days Past Dues	1.73	-
More than 90 days past dues	-	-

(ii) MOVEMENT IN THE EXPECTED CREDIT LOSS ALLOWANCE

Balance at beginning of the year

allowance on trade receivables calculated at

Balance at end of the year

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	-	-
allowance on trade receivables calculated at	-	-
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.

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 don't have any debt obligation of floating interest rate, so no interest rate risk exists.

Equity 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.

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

	March 31, 2019	March 31, 2018
Investment in Other Entities	-	-



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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.

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

40 Pending decision on the subject review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

41 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
Khimji Kunverji & Co LLP
(Formerly known as Khimji Kunverji & Co.)
Chartered Accountants
Firm Reg No.105146W

As per our report

Hasmukh B Dedhia
Partner
Membership No: F-033494

Mumbai *16th July, 2019*

For and on Behalf of Board of Directors

Amit Rathi
Amit Rathi
Managing Director
DIN : 00029791
06 July,2019

Hardik Chauhan
Hardik Chauhan
Company Secretary
06 July,2019

Rakesh Rawal
Rakesh Rawal
Director & Chief Executive Officer
DIN : 02839168
15 July,2019

Rajesh Bhutra
Rajesh Bhutra
Chief Financial Officer
06 July,2019

