

ANAND RATHI

Private Wealth. uncomplicated

Anand Rathi Wealth Limited

“AMFI-Registered Mutual Fund Distributor”

27th Annual Report
2021-22

Listing Ceremony - December 14, 2021



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NOTICE



For more investor-related information, please visit

<https://anandrathiwealth.in/Investorrelations.php>

Scan this QR code which will navigate you to our AGM venue

Investor Information

| | |
|-----------------------|--|
| Market Capitalisation | : ₹2,523 Crores (as at March 31, 2022) |
| CIN | : U67120MH1995PLC086696 |
| BSE Code | : 543415 |
| NSE Symbol | : ANANDRATHI |
| Bloomberg Code | : 1945848D:IN |
| AGM Date | : August 12, 2022 |
| AGM Mode | : Virtual |

Disclaimer:

This document contains statements about expected future events and financials of Anand Rathi Wealth Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

About Us

Uncomplicated Solutions. Holistic Approach.

A leading
pure-play
wealth
solutions
player

Anand Rathi Wealth Limited (ARWL or 'We') (Previously Known as Anand Rathi Wealth Services Limited) commenced business in 2002. Today, we are amongst India's leading non-bank wealth solutions firms, catering to high and ultra-high net worth individuals (HNIs and UHNIs).

We closely work with HNIs and UHNIs to facilitate their investments in financial instruments using our well-researched solutions. Further, our flagship Private Wealth (PW) vertical leverages our clearly stated and systematic approach to offer comprehensive solutions. Thereby aiding our clients achieve high quality experience in the journey of wealth solutions.

At Anand Rathi, our focus is on providing uncomplicated, holistic and standardised solutions to our clients based on an objective-

driven approach. This approach aids our clients in selecting the best investment option which best suits their objectives. Our core values of being fearless in showing data in an uncomplicated and transparent manner makes us a trusted partner in our clients' investment journey.

We offer thoroughly researched and comprehensive data to our clients to understand the probability of achieving their wealth goals. In addition, we handhold our clients in their journey of wealth management through efficient tax planning, plan their safety nets to protect their wealth from any unforeseen liabilities and build an estate plan to ensure near-zero transmission loss while transmitting wealth to the next generation.

Our Private Wealth Offering

Wealth Management is more than providing financial products. We offer holistic wealth solutions which start with understanding clients' complete financial assets and providing them well researched comprehensive wealth solutions.

Private Wealth

A journey that began as an AMFI-registered mutual fund distributor has now evolved. We have undergone a transformation to offer our clients well-researched solutions by facilitating investments in financial instruments through an objective-driven process.

Our holistic wealth solutions which start with the understanding of clients complete financial assets and providing them well researched comprehensive wealth solutions. Our focus is on serving High Net-worth Individuals (HNIs) – an attractive and underserved segment in terms of quality of service.

57.13%

Clients associated for over 3 years

76.65%

Contribution to total AUM by clients associated for more than 3 years

Strength



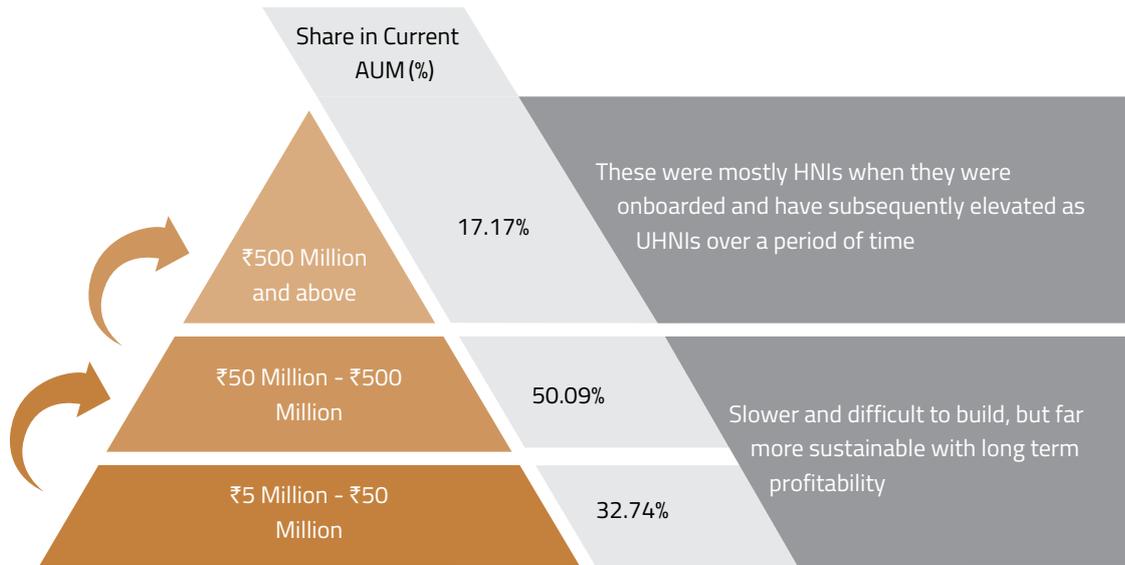
Comprehensive wealth solutions



Safety net and estate planning using trusts and wills



Process-driven framework for consistent delivery of service



Data as of March 31, 2022

As per a Knight Frank report, India had 7.97 Lakhs HNIs (US\$ 1 Million+) as of December 2021 which is expected to grow at 76.6% over next five years to 14.07 Lakhs. There has been huge shift in a way HNIs are investing.

As a mechanism of wealth generation, Indian HNIs have begun to shift away from physical assets and toward financial assets.

We are present in 11 top cities across India in which HNI population is largely concentrated and growing.

Our commitments to long-term relationships define us. We focus on simplifying the wealth solutions for our clients. We assist them in selecting the finest

investment choice available and making the sound investment decision possible.

We are focused on developing uncomplicated wealth solutions for HNIs that help them in facilitating investments to achieve their chosen return and risk objectives along with efficient tax management while ring fencing wealth from any unforeseen circumstances through creation of private family trusts and achieving near-zero transmission loss through efficient estate planning.

This comprehensive approach resonates with HNIs and over a period of time, we have seen clients wanting to consolidate their wealth solution needs with us.

Increasing HNI population

7,96,961

HNI population (US\$ 1 Million+) in India in CY 2021

13,637

UHNI population (US\$ 30 Million+) in India in CY 2021

14,07,287

Total expected HNI population (US\$ 1 Million+) in India by CY 2026

19,006

Total expected UHNI population (US\$ 30 Million+) in India by CY 2026

PW Performance for 2021-22

148 Crores, +71%

Trail Revenue

409 Crores, +56%

Total Revenue

166 Crores, +166%

PBT

125 Crores, +184%

PAT

32,054 Crores, +23%

AUM

271, +16%

RMs

7,082, +973

Active Client Families

11 Offices

Across India

Dubai

One Representative Office

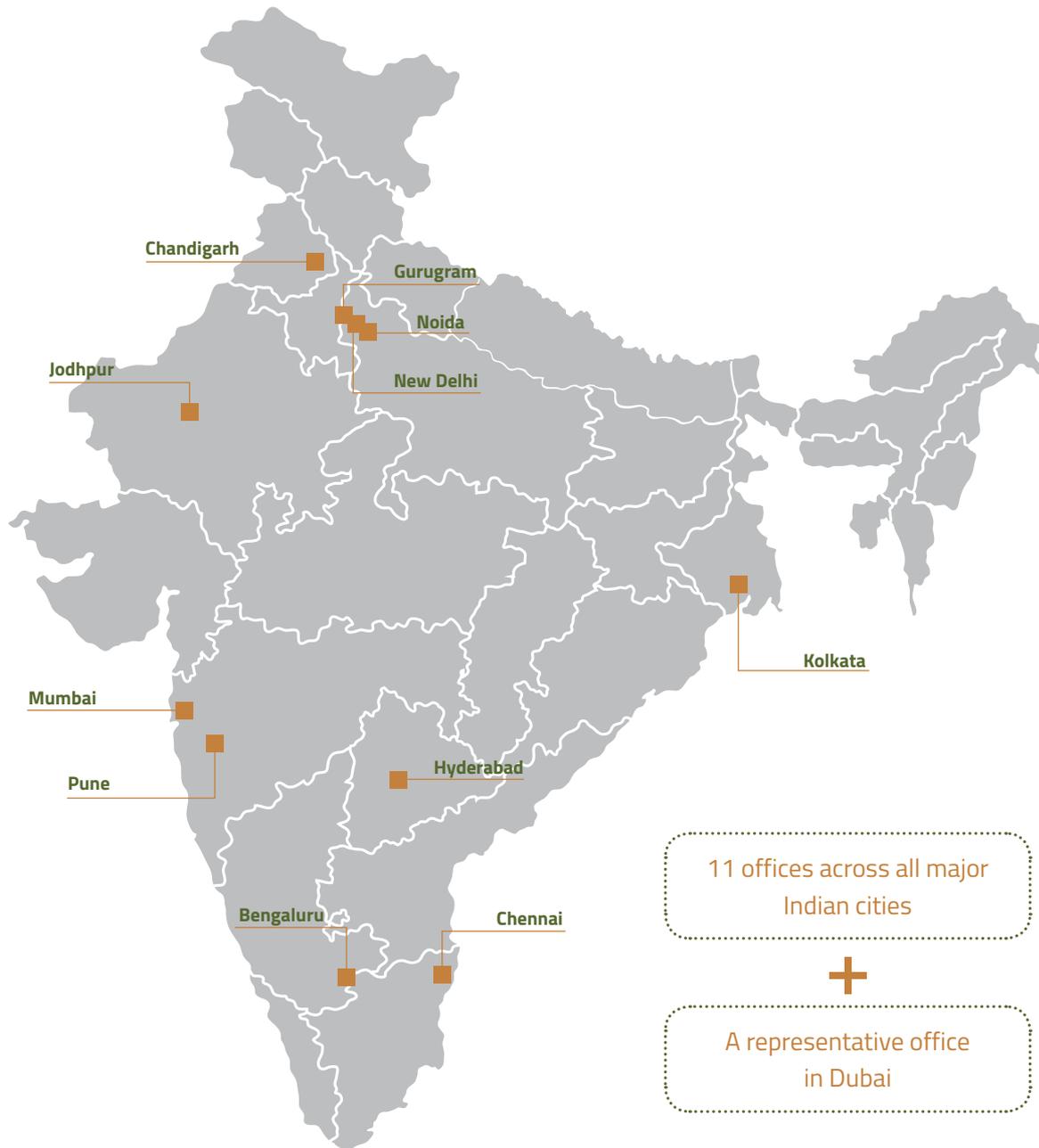
Great Place to Work

Certified

* Clients or active client families are defined as client families / groups with at least 50 Lakhs in cumulative AUM. Each 'client family' or 'Client' may have one or more sub accounts or family members' accounts, through which they invest

Geographical Presence

Presence across India



This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

New Age Businesses

Digital Wealth (DW): DW is a fin-tech extension of our proposition, born from the extensive learnings of our experience in the Private Wealth solutions space. With an idea to address the large mass affluent segment of the market with wealth solution delivered through a 'phygital channel' (a combination of human distributors empowered with technology), it seeks to build a scalable and profitable model using this blend of technological capabilities and human interface.

We have witnessed encouraging results in our attempt to build a 'Partner'-led distribution model through which packaged wealth solutions are delivered. 'Partners' are IFAs and AMFI-registered Mutual Fund Distributors seeking to grow their business by taking the Anand Rathi brand, product research, selection and investment insights to their clients through an innovative, easy-to-use technology interface.

Unique Approach to Wealth Solutions:

Delivers service through a 'phygital channel' i.e. a combination of human distributors (physical) empowered with technology (digital)

+

Seeks to build a scalable and profitable model by using the blend of technological capabilities and human interface

+

Attempts to build a partner-led distribution through which a packaged investment solution is delivered

852 Crores

AUM

316

No. of Client Engagement Partners

3,907

Clients

Omni Financial Advisor (OFA): OFA is our strategic expansion for capturing the wealth management environment, which leverages technology to cater to the retail segment through a B2B2C model. We offer Mutual Fund Distributors (MFDs) with a digital platform via which they may service their customers and expand their businesses. As a long-term vision, we acquired a company providing financial planning tools for MFDs and pivoted to providing reporting and transaction services. To serve the customer, the highest standards of data security, accuracy, reliability, and authenticity were enforced. Our main strength is digitally enabling MFDs to better serve their clients. Our rich expertise in the wealth market, paired with our technological platform, has aided us in growing the business as one of India's biggest tech platforms for MFDs in terms of subscribers.

OFA's Unique Approach:

Once MFD is onboarded, the account set up is done within a week

+

Competitive pricing

+

Additional product capability and dedicated post sales service

+

Help grow customers' business

5,343

No. of MFDs

79,800+ Crores

Platform AUM

17.1 Lakhs

Platform Clients



Journey and Milestones

Received the certificate of registration from the Association of Mutual Funds in India with respect to mutual fund distribution business

2002

Crossed ₹5,000 Crores of AUM

Set up a office in Pune

2015

2008

Expanded wealth operations in India by setting up an office in Delhi and commenced overseas operations in Dubai

2017

Acquired Freedom Intermediary Infrastructure Private Limited (FIINFRA – OFA Business) and Freedom Wealth Solutions Private Limited (involved in investment advisory business) by our subsidiary, AR Digital Wealth Private Limited (formerly known as AR Wealth Management Private Limited)

Acquired the private wealth management business from Religare Wealth Management Limited



Expanded wealth operations in Eastern India by setting up office in Kolkata

Crossed ₹15,000 Crores of AUM

Set up office in Gurugram

2018

Set up operations in Chandigarh

2020

Certified as 'Great Place to Work'

2022

2019

Crossed ₹20,000 Crores of AUM

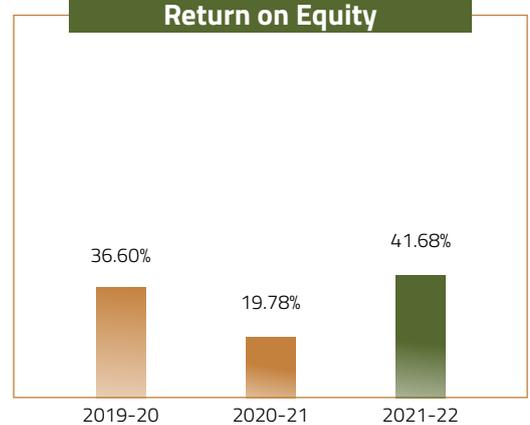
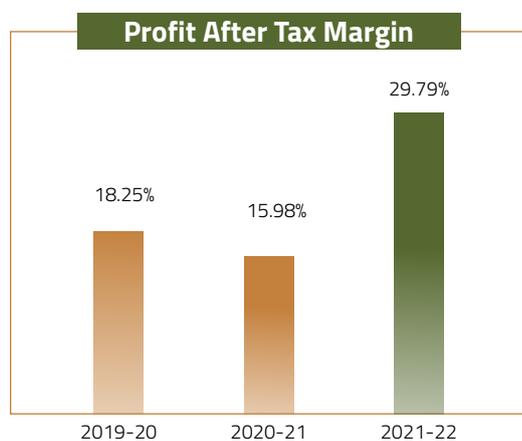
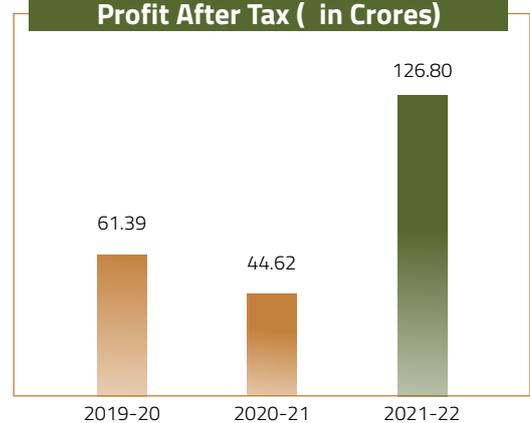
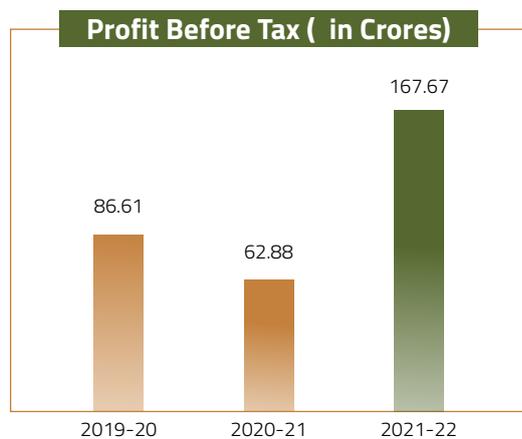
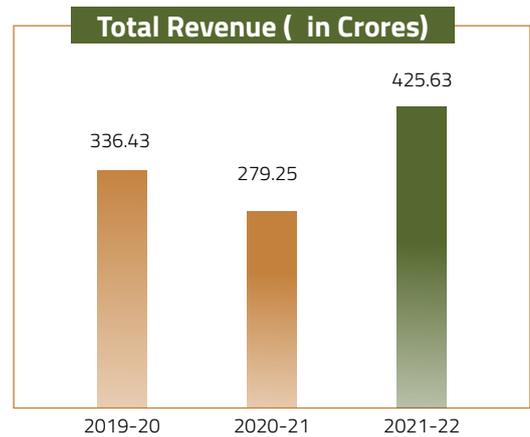
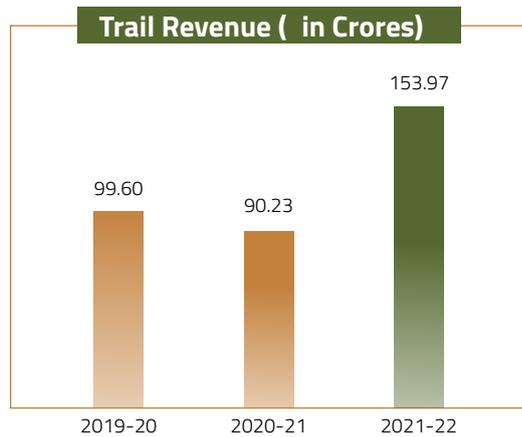
Commenced operations in Noida and Rajasthan

2021

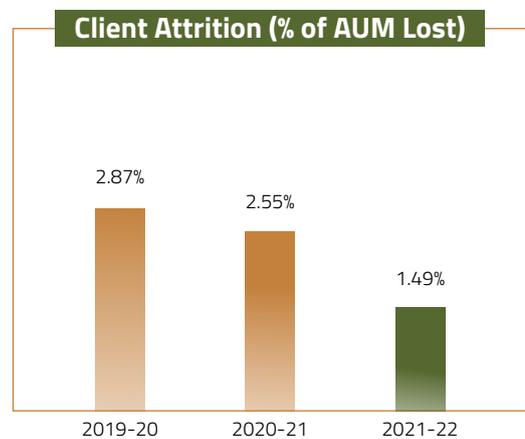
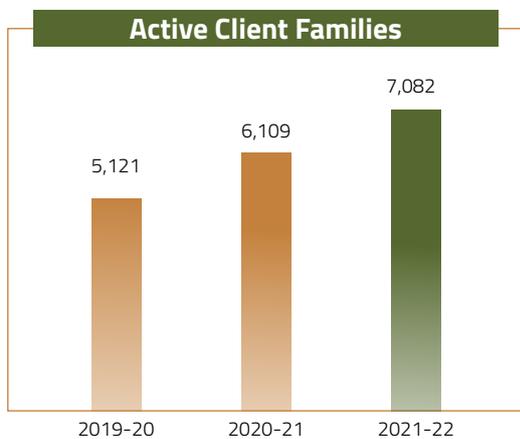
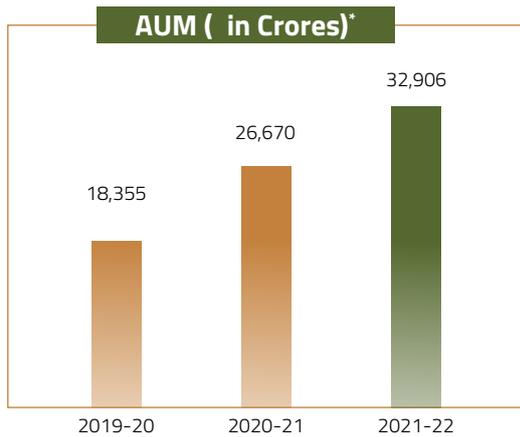
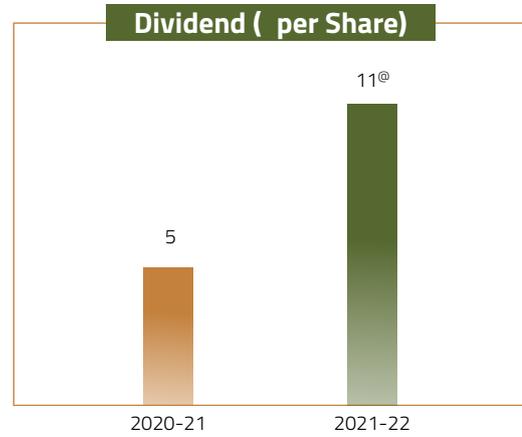
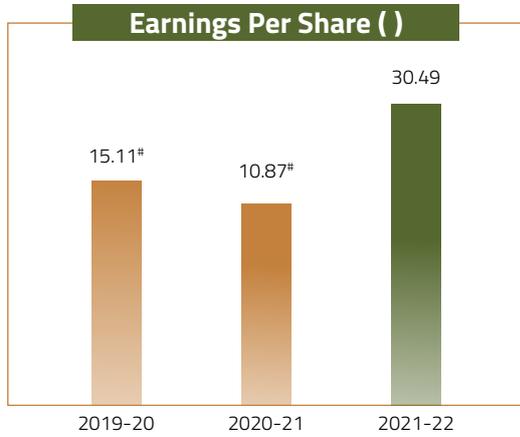
Listed on NSE and BSE

Crossed ₹30,000 Crores of AUM

Financial Highlights



(All financial numbers are on consolidated basis)



(All financial numbers are on consolidated basis)

[#]Adjusted for effect of Bonus Shares issued in 2021-22

* PW AUM+ DW AUM

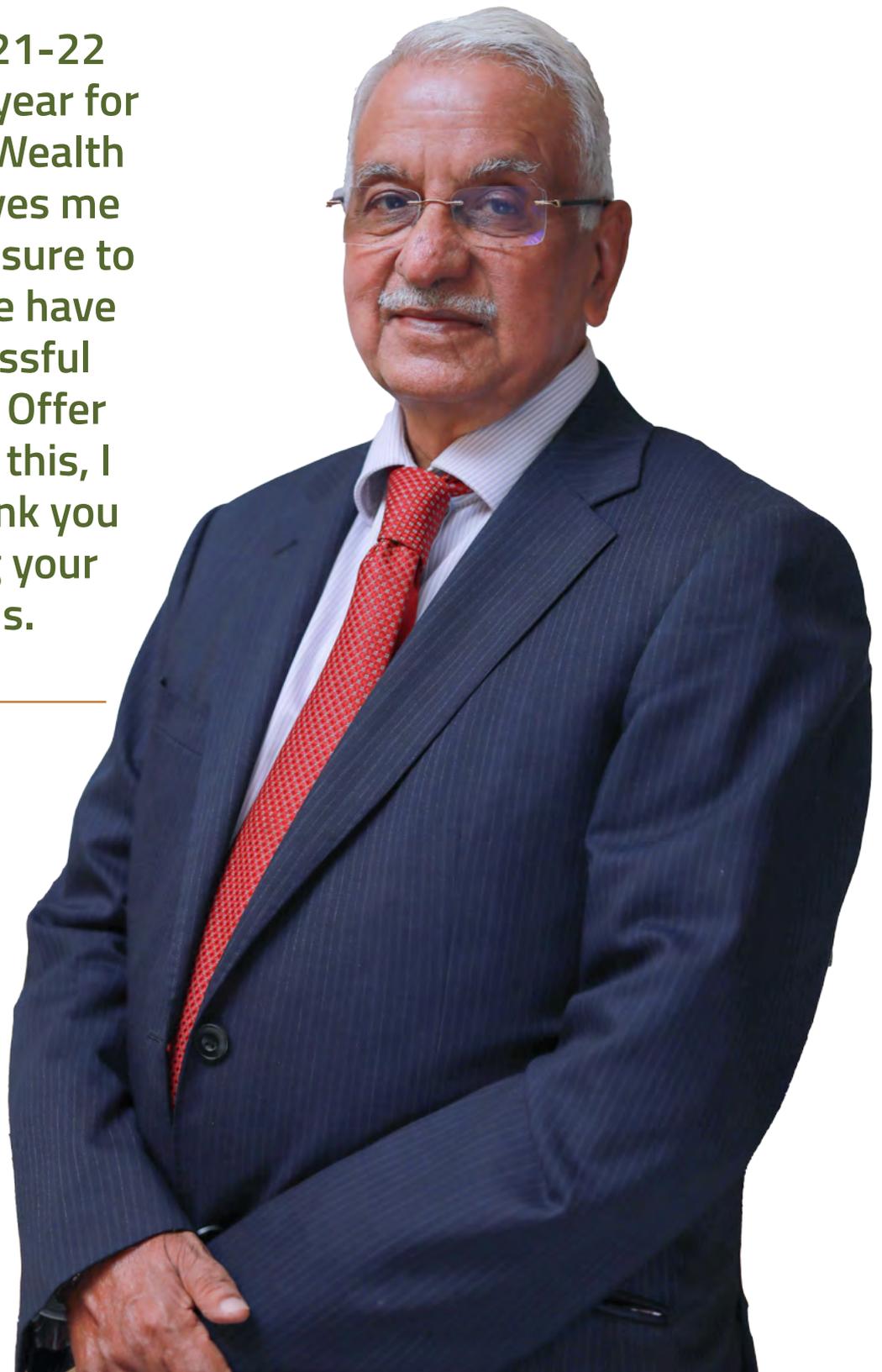
[®]Final dividend of ₹6 per equity share for the approval of the shareholders at the ensuing AGM

Chairman's Message

“

The year 2021-22 was a pivotal year for Anand Rathi Wealth Limited. It gives me immense pleasure to share that we have had a successful Initial Public Offer (IPO) and for this, I sincerely thank you for reposing your faith in us.

”





Dear Shareholders,

India remained the fastest-growing major economy in the world during 2021-22. Last year, India overtook the UK to become the 5th largest economy globally. According to the International Monetary Fund estimate, India will remain the fastest growing major economy of the world during 2022 and 2023.

Government finances are in much better shape than most of the peers. The banking system remains stable with signs of modest acceleration in credit growth. With close to US\$ 650 Billion foreign exchange reserves, India's external sector also remains resilient.

In 2019, India set forth its vision to become a US\$ 5 trillion economy by 2024-25, and it is heartening to see that despite the setbacks caused by the pandemic, India is now above US\$ 3.1 trillion economy. It is estimated to grow further at a rate of 8-8.5% this fiscal and is predicted to be the world's third-largest economy by 2030.

Like other economies and markets, India is facing many challenges. Yet, the nature and extent of such problems are considerably less in India. For example, despite downward revisions by many agencies in the recent past, most expect India to grow more than 7% during the current financial year. This is much higher than the growth expectations of any other major economy.

Historically, households in India have been quite risk averse and wary of investing their savings into volatile or uncertain return-based assets. A pursuit of safe bets has always driven India towards making investments in physical assets like gold and real estate.



With increase in start-ups, rising income levels and friendly macro factors with ease of doing business will drive growth of young HNI population in India, a big opportunity for wealth management firm to tap into underpenetrated market.



However, this pattern is slowly changing over time. Also, the country has seen a major shift in attitude from capital preservation to wealth creation. Strong economic expansion along with significant growth in per-capita income will drive the pace of wealth creation in India where investment towards financial savings is gradually increasing with increase in GDP.

Though India enjoys one of the world's fastest growing HNI populations both in terms of the number of individuals and the wealth levels, percentage of wealthy Indians remains very small compared with developed economies.

HNIs in India are now more and more inclined towards equity and equity-linked instruments and are keen on reducing exposure to real estate, gold and even looking at reducing debt allocation in pursuit of higher returns that comfortably beat inflation.

Despite all the external challenges, the work we have been doing to transform ARWL has made us an even stronger company than we were a year ago. It

has put us in a position to support a broad set of stakeholders, and it has positively impacted our results. There is still a long way for us to go, but we are confident as our foundation is strong and business model is robust. All of this has only been made possible by our perpetual emphasis on client-first policy and our belief that whatever is good for our client is good for us. We have lived by this philosophy and we promise to keep doing so in the years to come, only to serve our clients and contribute towards the country's growth to 5 trillion economy.

Yours faithful

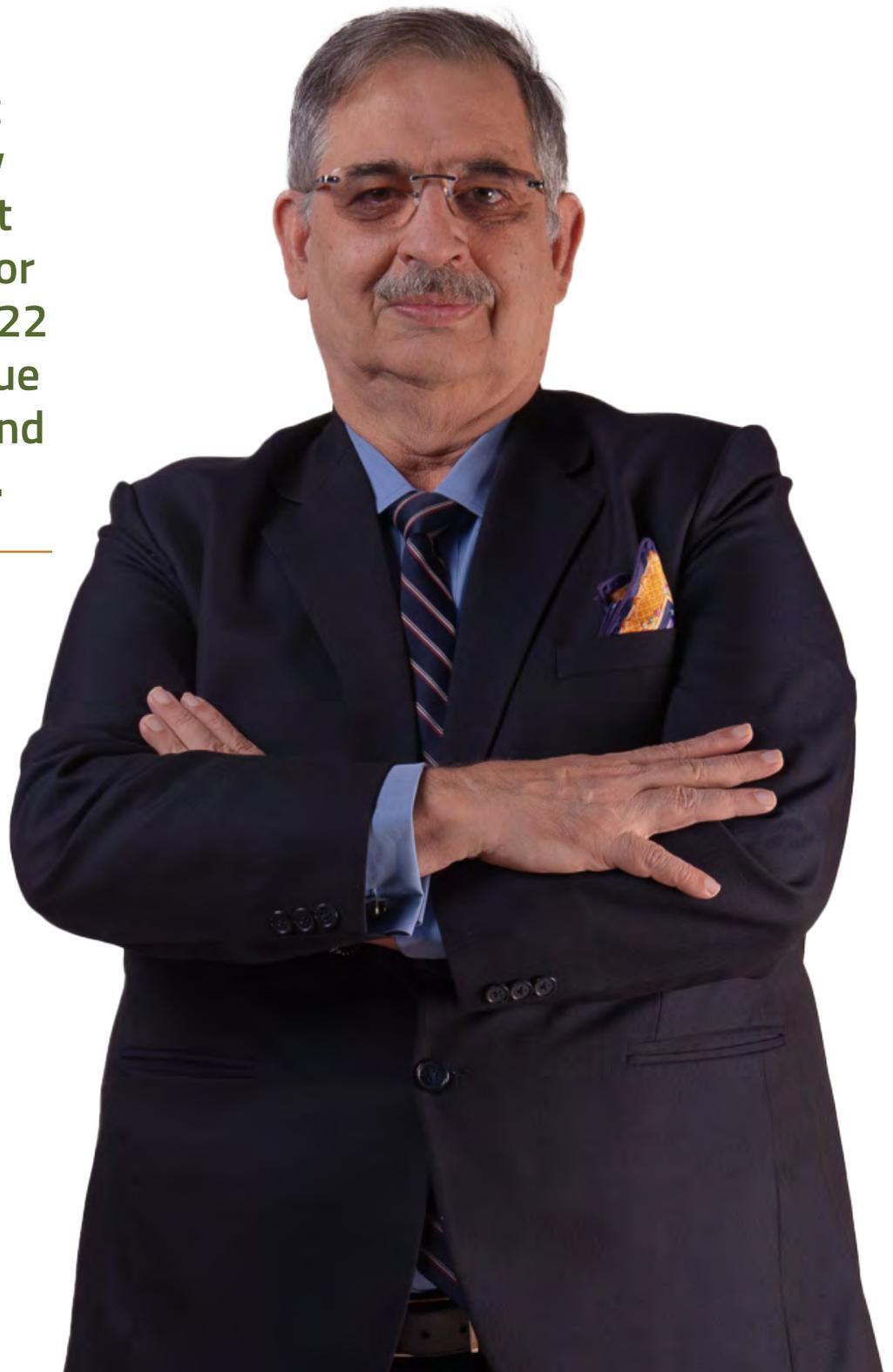
Anand Rathi
Chairman

CEO's Message

“

I am happy to share that our Company posted robust performance for the year 2021-22 wherein revenue grew by 52%, and PAT by 184%.

”





Dear Shareholders,

Our revenue for the year stood at ₹426 Crores, registering a growth of 52% as compared to ₹279 Crores during the same period last year. Our PBT margin was healthy, and it stood at 39.4% in FY 2021-22. Profit after Tax for the year stood at ₹127 Crores, registering a growth of 184% as compared to ₹45 Crores during the same period previous year.

This performance was backed by strong AUM growth. Our total AUM was up 23% year-on-year at ₹32,906 Crores, within which we saw strong 56% growth in equity mutual fund. Client additions was another segment where we recorded a strong momentum. We added almost 973 families in 2021-22. On the RM side, we added 67 RMs (gross basis) this year, most of whom were promoted from account managers – our single largest source of future RMs and one of our competitive strengths.

Our family cum entrepreneurial work culture once again helped us earn the accolade of Great Place to Work and resulted in very low regret RM attrition of 1.98% for 2021-22. Lower regret RM attrition and client stickiness have helped us control our client attrition which was 1.49% in terms of AUM lost for 2021-22.

On the product side, we have been able to successfully diversify our sourcing of MLDs from new issuer. We continue evaluating all products offered in the market and their relevance in achieving our clients' return objectives without compromising on the objective of risk adjusted returns and liquidity for our clients.

Since the year 2000, Indian equities have been one of the best performing asset class globally supported by strong economic growth, good quality corporate earnings, increasing investment in Indian equity market both from foreign and domestic sources. Despite possibilities of near term volatility, outlook for the Indian equity market for the mid term and long



As we advance with broad-based recovery throughout the economy, improved market conditions and growing awareness of financial assets, especially mutual funds, we expect increased flow of funds and consistent growth in our AUM in the coming quarters.



term looks very attractive. Despite continued outflow of foreign portfolio flows from the secondary equity market since October 2021, greater allocation of domestic households into equity assets has enabled the domestic institutions, especially the mutual funds, to largely compensate for the FII outflow leading to resilience in Indian equity market.

The 4 engines of growth that will lead our way forward are in place:

- Market returns on AUM.
- Penetration in the existing 7,000+ clients families. There is massive scope of increasing our wallet share.
- Addition of new clients.
- Addition of new relationship managers.

All in all, with these 4 engines, to get a 20-25% growth in business, in my opinion, is very reasonable. We believe our long-term commitment to offer the most efficient wealth solutions to our clientele coupled with an entrepreneurial culture and a dedicated team of Relationship Managers will enable us to achieve strong growth in years ahead.

I thank our clients for having trusted us with their wealth portfolio and implementing the necessary actions during the year to benefit from the given market conditions. During our interaction with clients through the

year, we recognised that clients understand that nobody can predict crisis, as such there is a high probability that we will get impacted when there is a crisis. However, it is imperative that we stay calm, be positive and evaluate the situation logically and take timely actions to turn the crisis into opportunity. I believe that objective led wealth solution approach is the reason why we as a team have been able to successfully navigate various challenges and market conditions.

I would like to thank all the shareholders for their trust and belief in us, which helped us receive strong support on listing.

My sincere gratitude to all my fellow Board members for being pillars of support and for their trust, belief and support in our journey of making Anand Rathi a reliable and leading pure play wealth solutions provider.

We remain optimistic about the business potential and will continue to drive toward our vision while aiding our clients achieve high quality experience in the journey of wealth solutions.

Sincerely

Rakesh Rawal
CEO

Board of Directors



Mr Anand Rathi

Chairman and Non-Executive Director
Founder of the Anand Rathi Group

- Esteemed member of the ICAI with an experience of 56 years across sectors and a Gold Medalist Chartered Accountant
- Recognised as a leading financial and investment expert in India and the broader South-East Asian region
- Laid the foundation of the Anand Rathi Group after an illustrious and fruitful career with the Aditya Birla Group
- Spearheaded the Aditya Birla Group's entry into various manufacturing and financial services sector
- Appointed as the President of BSE (Bombay Stock Exchange) in 1999
- Aided in the rapid expansion of BOLT: the BSE Online Trading System – testifying his ability of farsightedness
- Established the Trade Guarantee Fund and played a vital role in setting up the Central Depository Services (CDSL)
- Board member of IMC Chamber of Commerce and Industry



Mr Pradeep Gupta

Non-Executive Director
Co-founder of the Anand Rathi Group

- Stepped into the financial world with Navratan Capital and Securities Pvt. Ltd. after starting with a family-owned Textile business
- Mastered a unique industry insight with over three-decades-long rich experience, and entrusted Advisor for many
- Played an instrumental role in the success of the Institutional Broking and Investment Services arms of the Group
- Helped the Group receive several prestigious awards under his leadership
- Honorary Secretary of Rotary Club of Bombay



Mr Rakesh Rawal

Executive Director and the Chief Executive Officer

- Graduated from the Indian Institute of Technology, Kanpur with a Bachelor's Degree in mechanical engineering and a Master's Degree in management studies from the Jamnalal Bajaj Institute of Management Studies
- Joined the Anand Rathi Group's Wealth Management division
- Focused on business growth and client acquisition for the Group's private Wealth Management division
- Worked for Deutsche Bank and Hindustan Lever Limited before joining Anand Rathi Group



Mr Amit Rathi

Non-Executive Director

- A rank-holding Chartered Accountant with the Institute of Chartered Accountants of India (ICAI) and pursued Master's in Business Administration from New York University's Leonard N Stern School of Business
- Established an instrumental Investment Banking business for the Anand Rathi Group
- Esteemed Member of the Mumbai Chapter of the Young Presidents' Organisation (YPO) and Co-Chairman of the NYU Stern India Alumni group
- Commenced the Private Wealth business in the Group in 2002



Mr Mohan Tanksale

Independent Director

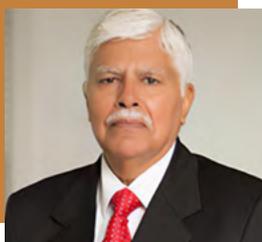
- Pursued Bachelor of Science Degree from the Bhopal University, Master of Arts (English) Degree from Awadhesh Pratap Singh University and Diploma in Russian Language from Bhopal University
- Certified Associate of the Indian Institute of Bankers and a fellow Member of the Institute of Cost Accountants of India
- Worked for three major public sector institutions, including Union Bank of India, Punjab National Bank, and the Central Bank of India, as the Chairman and Managing Director
- Served as a Board Member of the Punjab National Bank, the Central Bank of India, the Life Insurance Corporation of India, the International Banking Federation and as the Chief Executive of the Indian Banks Association
- Entitled as the 'Person of the Year' by the SKOCH Foundation in 2012
- Worked as a consultant in SWIFT India Domestic Services Private Limited
- Possesses an experience of over 42 years



Mr Ramesh Chandak

Independent Director and CEO of RDC Business Advisory

- Trained in leadership counselling, strategy, succession planning, and management consulting which he provides on an individual basis
- Designated as the MD and CEO of KEC International Limited before commencing his Advisory practise
- A Board Member of many publicly traded firms as well as non-profit organisations
- Entitled as the 'CA Business Leader' in 2008 by the Institute of Chartered Accountants of India
- Served as the President of the Indian Electrical and Electronics Manufacturers Association (IEEMA)
- Spent 40 successful years in the field of engineering, infrastructure, edible oils, and textiles, with worldwide business experience in India, Malaysia, and the United States



Mr Kishan Gopal Somani

Independent Director

- Qualified as a Chartered Accountant with the Institute of Chartered Accountants of India (ICAI)
- Served as the President of the Indian Chamber of Commerce and Industry (ICCI)
- Joined the Institute of Company Secretaries of India as an Associate Member
- A fellow Member of the Institution of Valuers
- Passed the IBBI's Limited Insolvency Exams under the 2016 IBC
- Held the position of a Director in the Delhi Stock Exchange Association Limited
- Appointed as a Partner at M/s K.G. Somani & Co., Chartered Accountants, Delhi
- Possesses 50 years of industry experience



Ms Sudha Navandar

Independent Director

- Qualified as a Chartered Accountant from the Institute of Chartered Accountants of India (ICAI) and a Certified Public Accountant in the United States
- Insolvency Professional with India's Insolvency and Bankruptcy Board
- A Partner at M/s. Pravin R. Navandar & Co., Chartered Accountants – specialises in internal and statutory corporate audits, bank audits, company law matters, income leakage and corporate leakage, and corporate consultancy services
- A Partner at Saksham Insolvency Resolution LLP



Leadership Personnel



Mr Rakesh Rawal

Chief Executive Officer

- Master's Degree in management studies from the Jamnalal Bajaj Institute of Management Studies and Bachelor's Degree in Mechanical Engineering from Indian Institute of Technology, Kanpur
- Past Experience - Hindustan Unilever Limited and Deutsche Bank
- Joined Anand Rathi Wealth in 2007



Mr Feroze Azeez

Deputy Chief Executive Officer

- Post Graduate Diploma in Management – majors in Derivative and Finance from SDM Institute for Management Development, Mechanical Engineer from University of Mysore
- Past Experience: ABN AMRO Bank NV and Religare Macquarie Private Wealth
- Joined Anand Rathi Wealth in 2012



Mr Jugal Mantri

Group Chief Financial Officer

- Rank holder Chartered Accountant and SMP from IIM Ahmedabad
- One of the first people to join the Anand Rathi Group when it was founded in 1994

Key Personnel – Business and Financial Heads



Mr Chethan Shenoy
Director and Head -
Product and Research



Mr Rajesh Bhutara
CFO



**Mr Niranjana Babu
Ramayanam**
Head — Operations



Mr Arjun Guha
Executive Director and
Unit Head, Mumbai



Mr Bharath Rathore
Executive Director and
Unit Head, Bengaluru



Ms Protima Dhawan
Director and Unit
Head, Hyderabad



**Mr Subhendu
Harichandan**
Director and Unit
Head, Pune



Mr Adil Chacko
Director and Unit
Head, Delhi



Mr Manish Srivastava
Director and Unit Head
- Rajasthan and Delhi



**Mr Swapan
Chakraborty**
Director and Unit
Head, Pune



Mr Mukesh Kumawat
Director and Unit
Head, Gurugram



**Mr Raj Vijeta
Sharma**
Director and Unit
Head, Dubai



Ms Aarti Desikan
Executive Director
and Unit Head,
Bengaluru



Mr Ashish Bhandia
Director and Unit
Head, Kotkata



**Mr Krishanu
Chaudhary**
Director and Unit Head,
Chennai



Mr Rajan Sarkar
Director and Unit
Head, Kolkata



Mr Amitabh Lara
Director and Unit
Head, Mumbai



Mr Farooq Nabi
Associate Director and
Unit Head, Noida



Mr Harpreet Punj
Director and Unit
Head, Chandigarh



Awards and Recognition

Building Trust through Recognition

Awards 2021-22

Great Place to Work



Great Place to Work
Institute (India)

Awardee

Anand Rathi Wealth Limited

The Extraordinaire – Game Changers



Brand Vision Summit
2022 by NexBrands Inc

Awardee

Anand Rathi Wealth Limited

The Dynamic Leader



Brand Vision Summit
2022 by NexBrands Inc

Awardee

Feroze Azeez

Best Mutual Fund Selector



CMO Asia Presents Award
for Excellence in Banking
Financial Service and
Insurance (BFSI)

Awardee

Shweta Rajani

Best Regional Head for Emerging Team



CMO Asia Presents Award
for Excellence in Banking
Financial Service and
Insurance (BFSI)

Awardee

Manish Srivastava

Excellence in Leadership



CMO Asia Presents Award
for Excellence in Banking
Financial Service and
Insurance (BFSI)

Awardee

Ashish Bhandia

Best Regional Head for Overall Growth



CMO Asia Presents
Award for Excellence
in Banking Financial
Service and Insurance
(BFSI)

Awardee

Rajan Sarkar

Best Regional Head for Asset Allocation



CMO Asia Presents
Award for Excellence
in Banking Financial
Service and Insurance
(BFSI)

Awardee

Protima Dhawan

Best Regional Head for AUM Growth



CMO Asia Presents
Award for Excellence
in Banking Financial
Service and Insurance
(BFSI)

Awardee

Krishanu Chaudhary

Corporate Information

Board of Directors

Mr Anand Rathi

Chairman and Non-Executive Director

Mr Pradeep Gupta

Non-Executive Director

Mr Rakesh Rawal

Executive Director and Chief Executive Officer

Mr Amit Rathi

Non-Executive Director

Mr Mohan Tanksale

Independent Director

Mr Ramesh Chandak

Independent Director

Mr Kishan Gopal Somani

Independent Director

Mrs Sudha Navandar

Independent Director

Chief Financial Officer

Mr Rajesh Bhutara

Company Secretary and Compliance Officer

Mr Ashish Chauhan

(Till May 30, 2022)

Compliance Officer

Mrs Jinal Trivedi

(From May 31, 2022)

Statutory Auditor

kkc & associates llp

(Formerly M/s. Khimji Kunverji & Co. LLP)

Secretarial Auditor

M/s Dharmesh Bohra & Associates

(Till March 31, 2022)

M/s Rathi & Associates

(From April 01, 2022)

Bankers

ICICI Bank Limited, HDFC Bank Limited,
Bank of India

Corporate Identity Number

U67120MH1995PLC086696

Registered Office

Express Zone, A Wing, 10th Floor,
Western Express Highway,
Goregaon (E), Mumbai - 400063,
Maharashtra, India

Telephone Number: 022 6281 7000

Email id: csarwsl@rathi.com

Website: <https://anandrathiwealth.in/>

Corporate Office

Trade Link, 2nd and 3rd Floor, E Wing,
B and C Block, Kamla Mill Compound,
Senapati Bapat Marg,
Lower Parel (W), Mumbai - 400013,
Maharashtra, India

Telephone: 022 6981 5400

Share Transfer Agent

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, L B S Marg,
Vikhroli (W), Mumbai - 400083,
Maharashtra, India

Tel: 022 4918 6000

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

Management Discussion and Analysis

INDIAN ECONOMY:

Despite the setbacks witnessed on account of the various concerns being faced at the global level, India's economic fundamentals remain strong. It is expected that despite the short-term turbulence (hardening interest rates, geopolitical fallouts, supply-side shocks, logistic concerns, increasing commodity prices, covid pandemic, etc.), the long-term prospects still remain intact. As the country recovers from the aftershocks of the pandemic-induced troubles and the Ukraine-Russia war, the results of the growth-enhancing policies and supportive schemes by the Central Government (Production-linked Incentive Schemes, Atmanirbhar Bharat Abhiyan, National Infrastructure pipeline). is expected to start kicking in only from the next fiscal onwards. Higher infrastructural financing and development will be crucial to address the existing gaps in the physical infrastructure, especially, in the rural areas. Through implementation of a credible fiscal strategy to bring down the Debt-GDP ratio, while meeting the multi-faceted development needs, all these measures are likely to have a multiplier effect on jobs and incomes, higher productivity and higher efficiencies. These are expected to translate into better economic growth and prospects going ahead.

A stronger emphasis on manufacturing and strengthening of the service sector, through various government schemes, backed by a push towards digitization and technological adoption and transformation, are also set to push India's march forward on the world front. Besides, as an obvious offshoot of the current geopolitical conditions, India has emerged as a favored alternate investment destination.

From the short-term standpoint, the next few months remain crucial from the economic lens as the Reserve Bank of India (RBI) and the Government work out to balance out the inflationary stress on the system, currency, external accounts, and fiscal deficit. India's ability to have endured the pandemic over the last couple of years, has already testified its resilience. This resilience is expected to guide the growth of the economy, for it to retain its status as the fastest-growing major economy over the next decade.

The great Indian success story over the last 25 years (1996-2020)

If we look back at the last 25 years, India's economic rise has been phenomenal. However, what is far less well-articulated is its all-pervasive growth. Today, India is regarded as a very credible investment destination for both, domestic as well as foreign investors. As a result,

India deserves a high share in clients' worldwide assets. Let us consider some of the Indian economy's feats that showcase its rise on the world platform:

- Fastest growing major economy of the world
- No. 1 in forex reserve accumulation from 11th rank in 1996
- Dominant in the receipt of remittances from non-residents
- Home to the largest no. of listed companies in the world
- Highest share of Information Technology (IT) service exports
- Rise from the 18th rank in 1996, to grab the numero uno status in enrolment of girl students at the primary levels
- Highest no. of personnel in the armed forces

With India having been accorded the status of the world's third-largest economy in terms of Purchasing Power Parity (PPP), India's forex reserves have swelled to become one of the highest in the world. In terms of real GDP, India, at the end of March 31, 2022 stood at sixth position globally.

Besides, to its credit, India has the second largest agricultural sector, growth in per head consumer demand, export growth, Intellectual Property Rights (IPRs) forming a substantial part of the capital investments and armed imports (in terms of military spending, India ranks 4th). India also enjoys a strong demographic dividend with a very young population, joining the workforce every year.

In terms of the manufacturing sector, India is the fifth largest in the world, while also being the fifth largest industrial economy. While India registered the most marked growth in the services sector with the value addition of the sector multiplying 7-fold over the last 25 years.

The country is the world's seventh largest consumer economy, up from 12th in 1996, with the consumer spending seeing a 6X growth over the period.

By 2015, India was already the third largest economy in terms of electricity consumption, and now also has the second highest share of renewable energy use in overall energy consumption among G-20 countries.

Having the 4th largest railway network in the world, the Indian railway carries the second largest no. of passengers in the world, and the fourth largest in terms of cargo. While in terms of air passengers, India ranks third.

Management Discussion and Analysis (Contd.)

India also became one of the top-five in terms of Foreign Direct Investments (FDI) inflows. Furthermore, India is ranked fourth in terms of witnessing the sharpest increase in domestic investment amongst major economies. Alongside, domestic savings have also witnessed a multi-fold increase over the past 25 years. India has made giant leaps in terms of its equity market capitalisation.

India is also making rapid strides in science and technology, with a particularly higher no. of scientific and technical publications being created. Alongside, India also ranks seventh in terms of no. of patents being filed by Indian citizens.

Considering the way India has progressed and its ranking in the world map, India is increasingly becoming a preferred investment destination, globally.

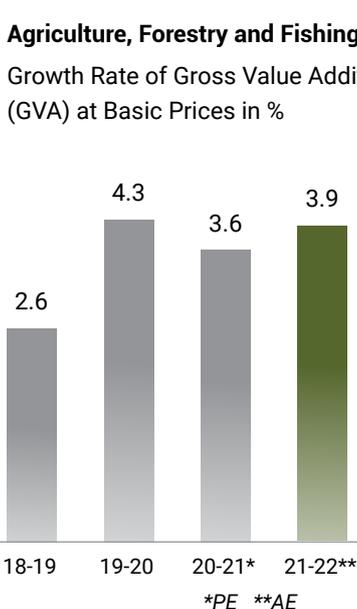
The year that went by

India is one of the fastest-growing major economies in the world. Having clocked a contraction of about 6.6% in FY 2020-21, largely driven by the pandemic-induced stress, the GDP (in real terms) is estimated to have grown by 8.9% in FY 2021-22. These nos. are as per the World Economic Outlook published in April 2022, released by the International Monetary Fund (IMF). The growth is an indication of the economic activity having recovered from the lows of the pandemic and in certain areas, the pre-pandemic levels too. The economic impact of the 'second wave' in the first quarter of FY 2021-22, seems to have been much lesser than what was experienced during the year prior to that.

According to the Economic Survey released by the Indian Government in January 2022, the GDP growth is estimated at 9.2% in FY 2021-22, which is higher than the latest estimates by the IMF. In line with these estimates released by the Economic Survey, the Agriculture and allied sectors were the least impacted by the pandemic having grown by 3.9% in FY 2021-22, compared to 3.6% in the previous year, as a result of the record levels of areas sown under the Kharif and Rabi crops, good monsoon, higher procurement of food grains under the central pool and adequate policy support. The industrial sector witnessed a sharp rebound with an estimated growth of 11.8% in FY 2021-22 compared to a contraction of 7% in FY 2020-21, with the manufacturing and construction picking up momentum, post the easing of the lockdowns imposed in the previous year. This, while the service sector witnessed an estimated growth of 8.2% in FY 2021-22, compared to a de-growth of 8.4% in the previous fiscal. The private consumption is subsequently estimated to have significantly improved to recover 97% of the corresponding pre-pandemic output levels. This recovery is expected to be led by higher vaccination coverage, coupled with normalisation of the Indian economic activity and policy thrust to quicken the virtuous growth cycle through Capex and infrastructure spending and higher budgetary allocations. This shall be supported by gains from the supply-side reforms and easing of regulations, robust export growth and availability of fiscal space to ramp up capital spending.

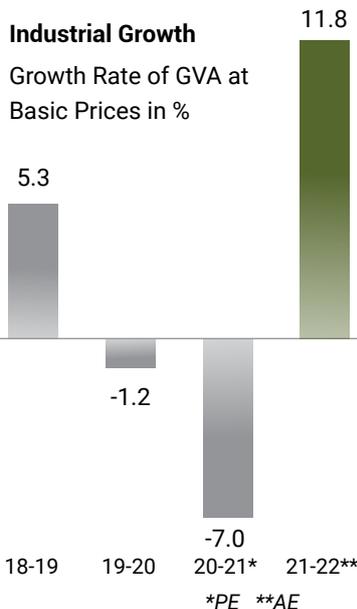
Agriculture, Forestry and Fishing

Growth Rate of Gross Value Addition (GVA) at Basic Prices in %



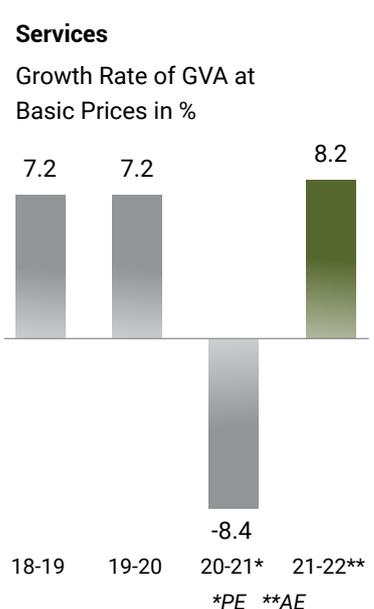
Industrial Growth

Growth Rate of GVA at Basic Prices in %



Services

Growth Rate of GVA at Basic Prices in %



PE - Projected Estimate AE - Advanced Estimate

Management Discussion and Analysis (Contd.)

The Indian financial markets have also performed admirably, allowing for the unprecedented risk capital mobilisation by Indian enterprises. With the broader capital market indices, BSE Sensex and NSE Nifty having reached all-time high levels of 62,245 and 18,477 respectively, in October 2021, the year witnessed a plethora of IPOs. An amount to the tune of ₹ 1.11+ Lakh Crore was raised in FY 2021-22 - a record high compared to the other years.

Furthermore, in line with the straining geopolitical conditions arising because of the Russia-Ukraine fallout in March 2022, there have been far fetching effects on the various economic aspects, leading to inflationary conditions. However, with the good prospects, higher vaccination coverage, gains from the supply-side reforms, regulatory easing out, healthy export growth, and availability of fiscal headroom is likely to lead to a GDP growth of 8.2% in FY 2022-23 and further moderate to 6.9% in FY 2023-24.

(Source: World Economic Outlook April, 2022 Published by IMF)

(Source: <https://www.indiabudget.gov.in/economicssurvey/>)

INDIAN CAPITAL MARKETS:

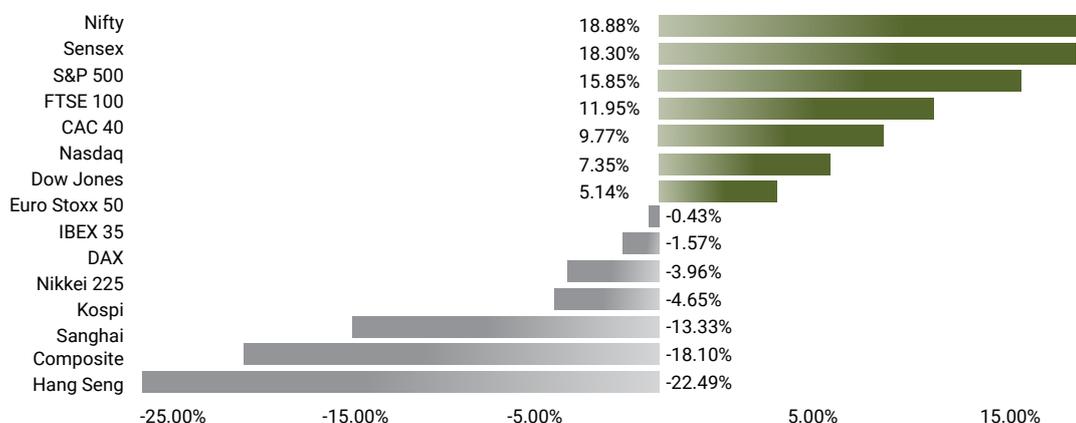
The Capital Markets are instrumental in mobilisation of savings through activation of the transfer of the ideal monetary resources to financial assets. The Indian capital market includes both, the share or stock market and bonds market, which deal in shares and debt securities, respectively. Further bifurcating the market, it is divided

into gilt-edged market [government and semi-government securities, backed by the Reserve Bank of India (RBI)] and the industrial securities market (shares and debentures of new issues and secondary markets). The securities traded in gilt-edged market offer higher stability and hence, are much sort after by the banks and other institutions. Whereas the new issue market deals with corporations generating new capital in the form of shares and debentures, whereas the old capital market deals with securities that have previously been issued.

Equity Market

FY 2021-22 can be accorded as a sunrise year for the Indian stock market, when compared to the other major indices across the world. The National Stock Exchange's Nifty Index witnessed a ~19% growth during the year, compared to the previous year. The small and mid-cap indices rose by 29% and 25%, respectively, over the same period. On the other hand, the BSE Sensex clocked a growth of 18.3% over the previous year. It was the best year for BSE Sensex in history, as it moved up by more than 10,000 points for the first time in a single year. Considering CY 2021, it had gained 10,054 points across the year. In terms of percentage increase, this was the best performance in the previous 4 years. What makes this growth (whether FY or CY) even more spectacular is that it was on the back of a solid pounding, when the broader indices had fallen by 50% and more at the advent of the lockdowns being imposed owing to the Covid pandemic in the country in March 2020.

Performance of the major Global indices in FY 2021-22 (Growth % for FY 2021-22 YoY)



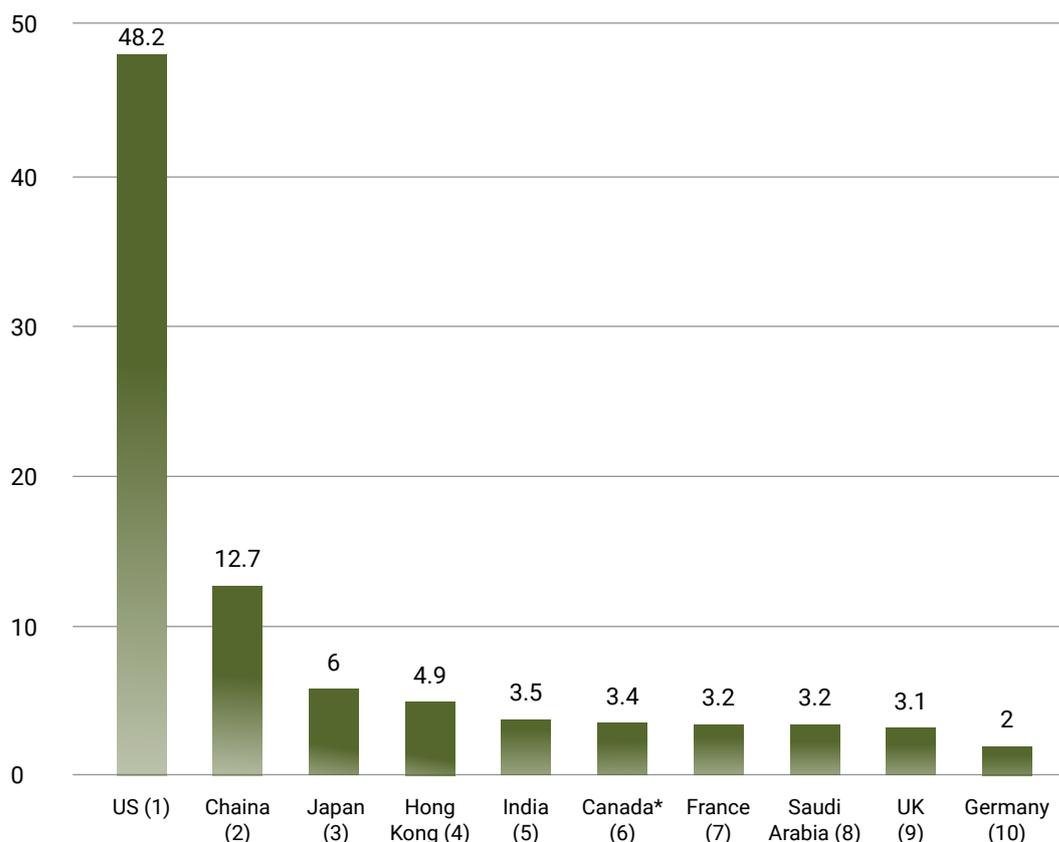
(Source: Bloomberg Quint)

Management Discussion and Analysis (Contd.)

On March 31, 2022, for the very first time, India's equities market had entered the world's top five countries in terms of market capitalisation. The country's total market capitalisation stood at US\$3.5 Trillion, which is more than the market caps of Canada, France, Saudi Arabia, UK

and Germany markets. The rise is owing the economy's resilience despite the Russia-Ukraine conflict, which has thrown the European country rankings into disarray. The European countries suffered the greatest losses in market capitalisation, for instance, Germany, which was formerly one of the top five markets, is now ranked tenth.

Market Capitalisation (in US\$ Trillion)



(Source: For the US market, Sibilis Research, for Germany, Statista and for the rest of the countries: CEIC Database has been used)

(*Note: The data included for Canada is as on March 1, 2022)

(#World rankings given next to the country names)

The tailwinds for the stock market rally in India

It would be safe to say that FY 2021-22's stock market rally was indeed driven by the strong flow from retail investors which has also provided cushion to the foreign investor outflows. The Domestic Mutual Fund Investors pumped in net investments in Equity markets of ₹ 1,36,781 Crore, compared to net outflow of ₹ 1,28,896 Crore by Foreign Institutional Investors (FIIs) in FY22.

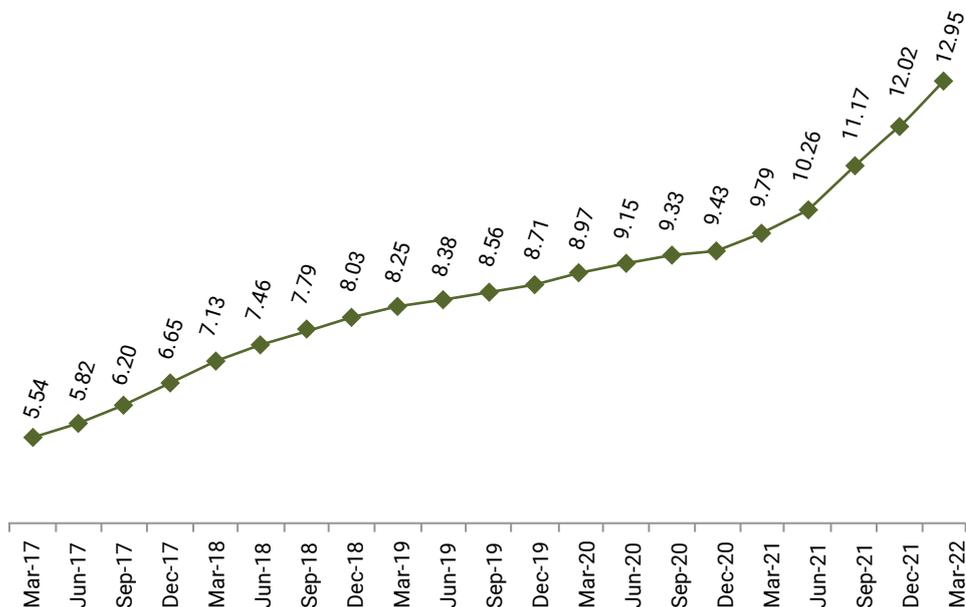
The increase in the no. of Demat account openings – a proxy for individual retailers trading in the stock markets, along with the net investment figures of foreign investors highlights the growth trend clearly. As on March 31, 2022, the total no. of folios stood at 12.95 Crores, increasing by 7.7% over the previous year with higher and higher no. of accounts remaining active.

(₹ in Crore)

| Equity | Q1FY22 | Q2FY22 | Q3FY22 | Q4FY22 | |
|--------|--------|--------|----------|------------|-------------------|
| MF | 4,972 | 31,764 | 34,854 | 65,191 | 1,36,781 |
| FII | 9,053 | (443) | (31,625) | (1,05,881) | (1,28,896) |

Management Discussion and Analysis (Contd.)

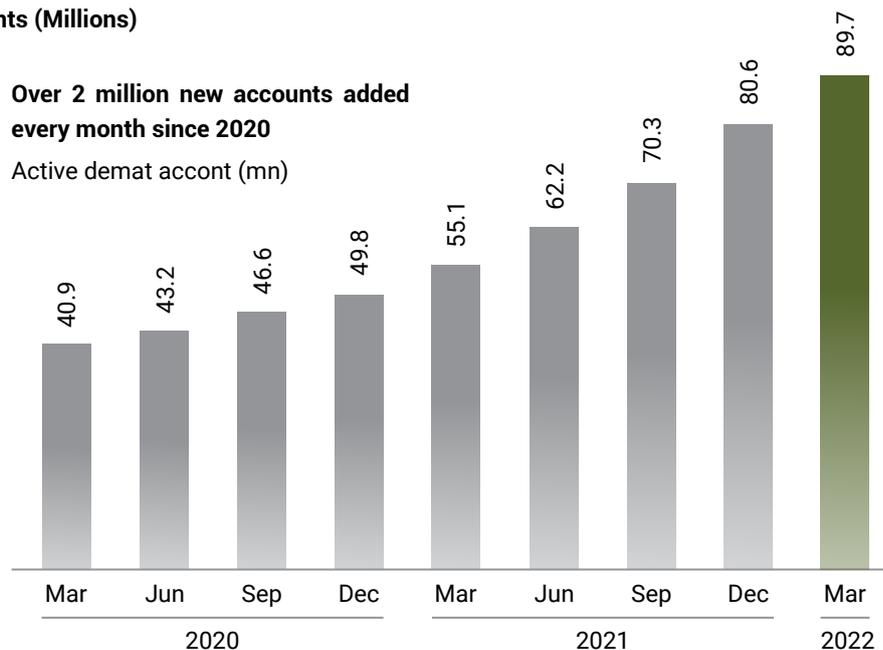
Investor Accounts (No. of Folios in Crores)



(Source: AMFI)

The Demat account openings continued to swell gaining a rapid momentum over the entire of FY 2021-22. The no. of active Demat accounts witnessed a growth of 63% to 89.7 Million during the fiscal. This was on the back of an addition of over 2 Million new accounts every month since March 2020.

Active Demat Accounts (Millions)



(Source: https://www.business-standard.com/article/markets/india-s-demat-account-tally-up-63-to-89-7-Million-in-fy22-shows-data-122041401088_1.html#:~:text=The%20number%20of%20active%20dematerialised,shows%20data%20provided%20by%20depositories.)

Management Discussion and Analysis (Contd.)

The broad-based growth was fuelled by the factors such as higher smartphone usage, easier and simplified digital onboarding of customers, attractive returns offered by the markets, better returns offered than other asset classes, rise of brokers, amongst other factors. While the pace of new account additions may not sustain over a long period, however, there is a high likelihood of the growth figures being a high double-digit number in the coming years. Besides, despite such a huge increase, the penetration of the Demat accounts are still low compared to traditional Fixed Deposit Accounts and Saving Bank Accounts, highlighting enough room for growth.

Debt Market

In a bid to contain inflationary pressures, the Monetary Policy Committee has increased the repo rate by 40 bps and 50 bps in consequently meeting held on 4th May 22 and 8th June 22, taking it to 4.9%, and changed its policy stance to 'focus on withdrawal of accommodation'. The move was further aimed at strengthening and consolidating the economy's growth and medium-term prospects. With the crude oil prices remaining volatile while even going above US\$ 100 per barrel, the global food and energy prices firmed up further, touching a record high in March 2022. Despite the RBI's commitment to a slow and gradual withdrawal of accommodation, to bring inflation in the range of 2-6%, the Consumer Price Inflation (CPI) rose by 7.01% in June 2022 (an 8-year high), over June 2021. The strengthening global persistence of price shocks pose higher inflation risks than anticipated in the June 2022 Monetary Policy Committee (MPC) resolution.

Correspondingly, the RBI also hiked the Cash Reserve Ratio (CRR) by 50 bps to 4.5% (in April 2022). This simply means the share of a bank's total deposit that it is mandated to maintain with the RBI in the form of liquid cash. This was brought into effect from May 21, 2022, to pull out ₹ 87,000 Crore from the banking system. As a result, the Marginal Standing Facility (MSF) rate and the Bank Rate was also adjusted from 4.65% to 5.15% and the Standing Deposit Facility (SDF) rate was revised from 4.15% to 4.65%.

Amid this scenario, the focus of the RBI on preserving financial stability and restoring market confidence by implementing strategies to rebalance liquidity on a

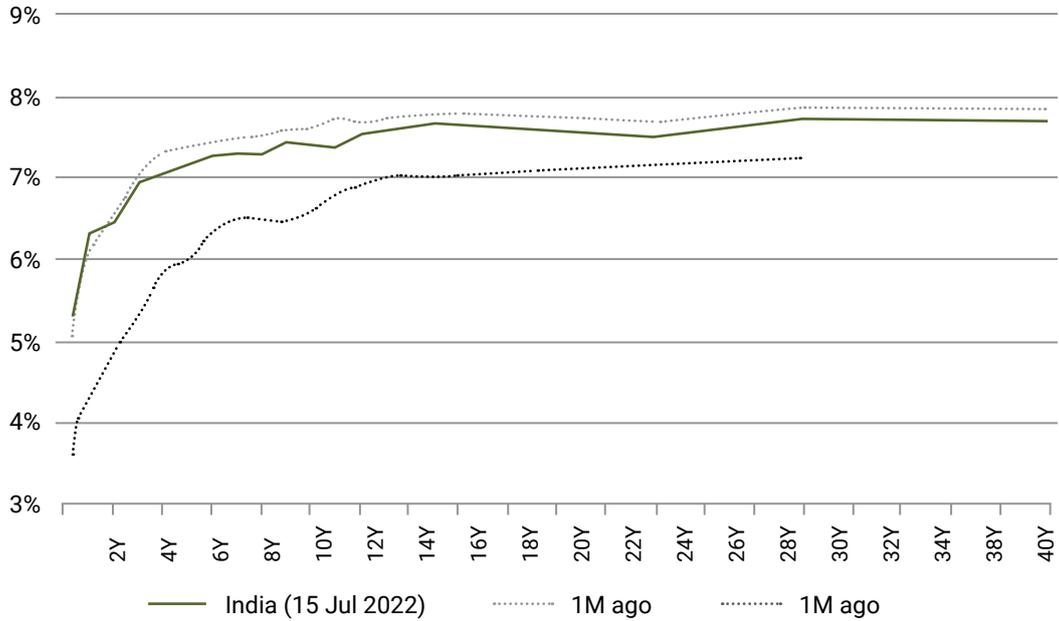
dynamic basis has been more pronounced than ever. The Voluntary Retention Route (VRR) scheme was introduced in March 2019 to facilitate long-term investment by Foreign Portfolio Investors (FPIs) in debt securities issued by the Government and the corporates. The enhancement of the limit for investments under the scheme is being considered by ₹1.0 Lakh Crore from ₹ 1.5 Lakh Crore at present to ₹ 2.5 Lakh Crore with effect from April 1, 2022. This would provide access to additional sources of capital for the domestic debt market, including Government securities (G-Secs).

Furthermore, fiscal 2021-22 witnessed a gradual recovery in the economic activities, highlighted by deleveraging corporate balance sheets, making them leaner. This was further marked by increased risk aversion by banks, leading to excess liquidity parked in the reverse repo and Government securities. Similarly, the robust demand in the debt market primary issuances was fuelled by the measures undertaken by the regulators to maintain monetary accommodative policies along-side targeted credit programmes such as long-term repo operations (T-LTROs), Partial Credit Guarantee Scheme (PCGS), launch of debt Exchange-Traded and index funds (ETFs), along with surplus liquidity amongst others.

A rally in the stock market generally tends to raise the bond yields as the money moves from a relatively safer investment bets to relatively riskier equity stock markets. At the other end, in case of a high inflationary pressures, the investors tend to move back to bond markets and dump equities. As a result of this existing scenario prevailing in India with stock market volatility, inflation worries, widening fiscal balance and monetary policy tightening, India's benchmark 10-year bond yields reached a 3-year high at 7.62% as on June 16, 2022. This, after dipping to sub-6% in the second half of FY 2020-21 when the equity markets were recovering in the aftermath of the pandemic-related shocks. Following a hawkish tilt from the RBI and hardening US bonds, despite the rate hike expectations, having become even more prominent since the latest hike in May 2022, the current market yields seem to have already discounted for a reasonable amount of policy normalisation.

Management Discussion and Analysis (Contd.)

India Yield Curve for Indian Government Bonds (%)



(Source: worldgovernmentbonds.com)

In terms of other trends, there could be a section of investors switching from other asset classes to fixed income owing to higher nominal rate expectations, with a smart recovery being expected in the second half of FY 2022-23 on the back of the interest rates forming an equilibrium after absorbing RBI’s policy actions.

INDIAN WEALTH MANAGEMENT INDUSTRY:

India’s Wealth management is a type of investment advising service that integrates various financial services to meet the demands of individuals. The financial adviser gathers information about the investor’s desires and individual situation through a collaborative approach, then creates a customised and a diversified financial products and services. Given India’s economic prospects, good demographics, growing income levels, higher number of taxpayers every year, increasing number of US\$ Millionaires and the current levels of low penetration, the Indian Wealth Management industry is on a steady upward trajectory. While India’s affluent population is modest in comparison to established markets, the country’s wealth is expected to expand rapidly in the future. The crucial factors for a high-growth wealth management business in India include a huge and youthful mass affluent section which is emerging partially due to the technology intervention; an increase in global Indians’ wealth; and the Indian

government’s attempt to regulate unlawful channels of money and tighten capital market laws.

Key Growth Drivers for the Wealth Management business in India:

- **Increase in Wealth and HNI Population**

India is aspiring to move a step up in the global prosperity ladder, from its current classification as a lower-middle income country. The conditions have sure improved in the last three decades since per capita incomes have multiplied, poverty levels have reduced, illiteracy rates have gone down, and even the health conditions have witnessed an improvement. The rise in wealth is being assisted by the Indian economy’s growth and rising industrialisation, which is also leading to the swelling population of High Net Worth Individuals (HNIs) as per the Knight Frank Databank compiled using the wealth sizing model. Likewise, the population of UHNWIs is also likely to go up drastically.

Increasing HNI population

7,96,961

HNI population (US\$ 1 Million+) in India in CY 2021

Management Discussion and Analysis (Contd.)

14,07,287

.....
Total expected HNI population (US\$ 1 Million+) in India by CY 2026.

13,637

.....
No. of UHNWIs (US\$ 30 Million +).

19,006

.....
Estimated population of UHNWIs in India in CY 2026.

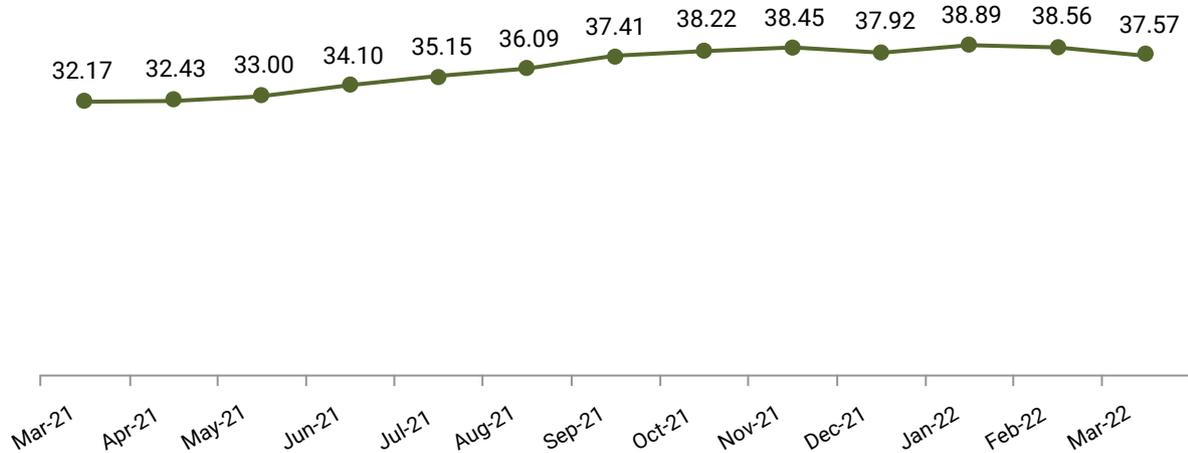
(Source: Knight Frank)

In addition to the increasing UHNI and HNI population, the increasing number of taxpayers declaring an income of over ₹ 1 Crore are also expected to reach 3,00,000+ by FY 2025, multiplying by more than 3X over FY 2017-18, as per a CART Industry Report.

Increasing Penetration of Mutual Fund Market

Since FY 2014-15, the Mutual Fund Market has witnessed consistent inflows as well as growth in AUM and growth in number of investor folios. Considering the last five years, the AUM of MF industry has increased from ₹ 17.55 Trillion on March 31, 2017 to ₹ 37.57 Trillion on March 31, 2022, which translates into an incredible more than two-fold rise at a Compounded Annual Growth Rate (CAGR) of 16.45%. The number of investor folios has also more than doubled in the last five years, from 5.54 Crore on March 31, 2017 to 12.95 Crore on March 31, 2022 i.e. an extraordinarily strong CAGR of 18.51%. This translates into an average of 11.96 Lakh new folios being created per month, since February 2017.

Total Assets of the MF industry (₹ Trillion)



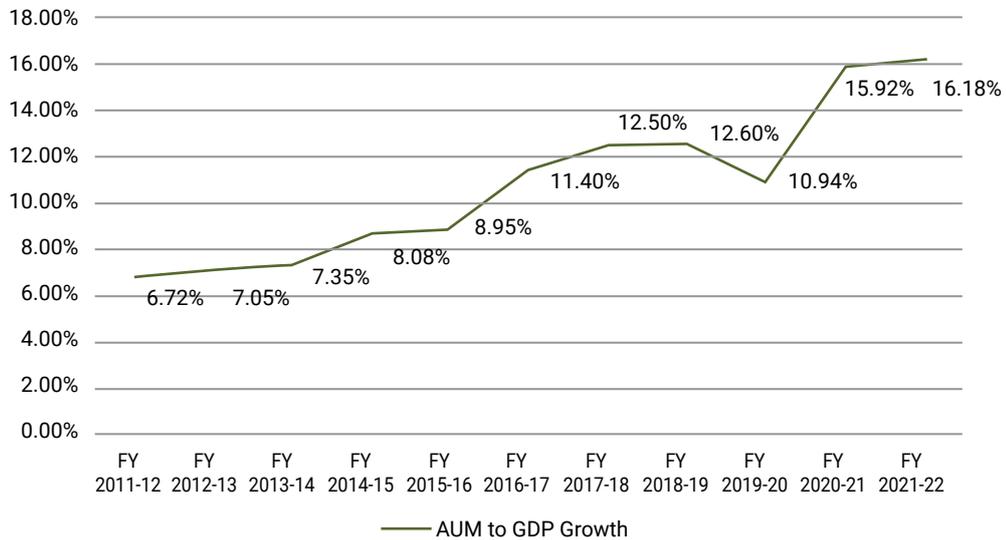
(Source: AMFI)

India's Mutual Fund industry, despite its burgeoning size and rising growth profile continues to be underpenetrated with a mutual fund penetration rate (the ratio of period ending mutual fund AUM to GDP) of 16.18% in FY 2021-22. The corresponding figure in FY 2020-21 stood at 15.92%,

recording a rise of 26 bps. Although the growth may be minuscule, it is noteworthy to consider that the ratio in FY 2011-12 stood at 6.72%, indicating that India has come a long way.

Management Discussion and Analysis (Contd.)

India - AUM to GDP Growth (%)



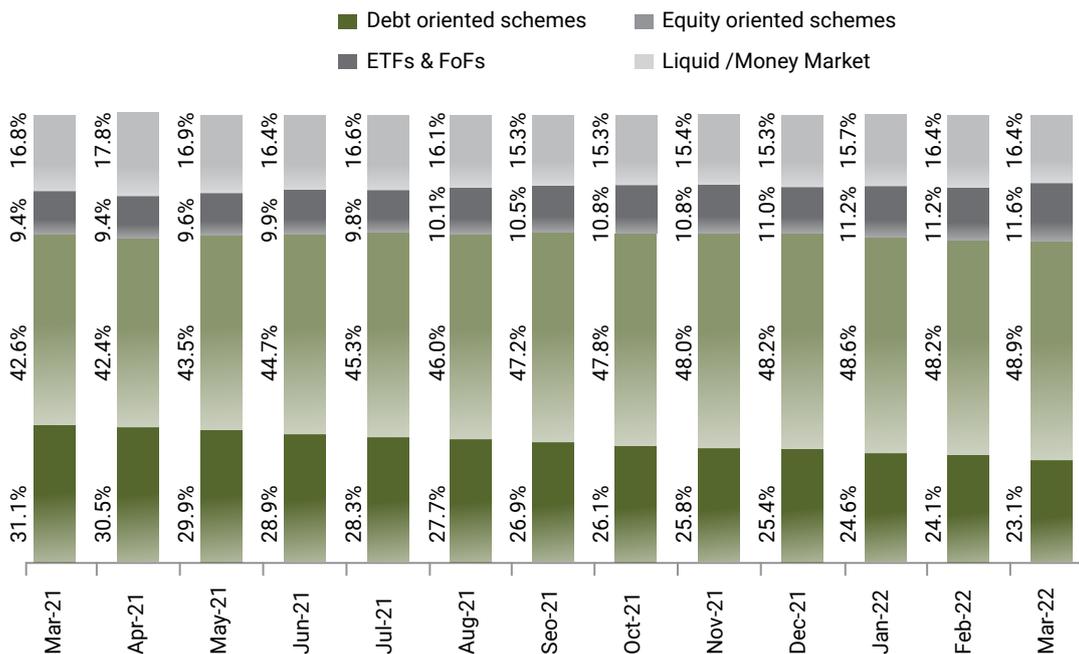
Sources: AMFI, CARE Industry Report, Internal Estimates

However, the country is fairly underpenetrated when compared to a global average of 75-80% for CY 2020, as per certain estimates. India accounts for less than 2% of the global mutual fund industry, which showcases a significant headroom for growth for mutual fund assets.

Considering the scheme-wise composition of assets, as on March 31, 2022, the proportionate share of equity-oriented schemes stood at 48.9% of the industry assets,

while the proportionate share of debt-oriented schemes stood at 23.1% and for ETF market, it stood at 11.6%. This also signifies an increasing level of investments in equity-oriented schemes which grew from 42.6% as on March 31 2021 to 48.9% as on March 31 2022 - reflecting an increase of 6.3 percentage points. Thereby leading to a subsequent reduction in the share of the debt-oriented schemes from 31.1% to 23.1% over the corresponding period.

Scheme-wise composition of Assets



(Source: AMFI)

Management Discussion and Analysis (Contd.)

- B30 cities vs T30 cities**

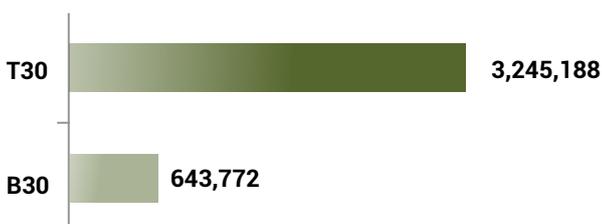
The demographic trends are also likely to support the growth of the industry going forward – these include and not restricted to the rising investments and participation of investors from B30 cities, increasing retail participation, increasing investible wealth across mass affluents, are all likely to again lead to a need for wealth advisory funds to fuel their aspirations.

One key trend that has dominated the wealth management industry in the urban set-up, is the higher no. of investors having access to advice from large banks and wealth managers, but mass affluent clients depending on IFAs (Independent Financial Advisers) for Mutual Fund advice. This again, is translating into immense potential emerging from the untapped markets.

Looking at the numbers published by AMFI, in April 2022, only 17% of the assets of the MF industry came from B30 cities, while a whopping 83% came from T30, reflecting the higher no. of investors coming from the urban centres. However, the Y-o-Y growth in the B30 cities was higher at 25% compared to April 2021.

T30 refers to the Top 30 geographical locations in India and B30 refers to the locations beyond the Top 30

MF Asset composition (T30 vs B30) (in ₹ Trillion)



(Source: AMFI)

- Role of Distributors**

The distributors have remained a key player during the orbital shift of the industry led by the strong participation from the retail investors which in turn has complimented the industry’s growth. Stability of commissions and increasing investor participation through distributors have been a key driver for the growth of the industry.

As of April 2022, 55% of the assets of the mutual funds came through the distributors, and about 45% came through the direct route. Categorising further, only about 18% of the retail investors and 24% of HNIs (as per AMFI’s definition, the HNIs are classified as investors having a ticket size of ₹ 2 Lakhs and above) chose to invest directly. In terms of scheme-wise composition, only about 23% of the investments were through the direct route, in the equity-oriented schemes. These trends are likely to further support the growth of the wealth management consulting services.

- Regulatory Support**

There has been a constant push from the government and the regulators to boost investors’ confidence to create financial awareness, educate them, simplify products, lower costs, for them to participate in the equity / debt market through focus on client-centricity, fiduciary responsibility and compliance. These are also enabling the enhancement of the acceptance of other financial products in the country. Furthermore, SEBI’s drive, to push the mutual fund products in B30 cities and beyond has also started showing results. The push in rural areas and the recovery is also driving the idle income and bringing the wealth in the main realm of the financialisation.

- Increase in the number of Start-ups and Unicorns in India**

In India, 44 start-ups achieved a unicorn status in CY 2021. After the United States and China, which added 487 and 301 unicorns, respectively, in 2021, India surpassed the United Kingdom to become the third biggest country in terms of Unicorns. India has 83 Unicorns as of January 14, 2022, with a total valuation of US\$ 277.77 Billion. Over the previous six years, India has risen dramatically, with the services sector accounting for much of this growth. This is clearly reflected in the growth of start-ups over the last few years. FY 2016-17 witnessed 121 districts with at least one new startup and grew up to 555 districts with at least one new startup in CY 2021. As of January 10, 2022, more than 61,400 start-ups had been certified in India.

(Source: Economic Survey 2021-22, released by the GoI)

Management Discussion and Analysis (Contd.)

- **Digital Wealth/Phygital Channel**

Wealth Management is one of the most appealing financial service industries globally, with fewer capital needs, stronger growth opportunities, and a higher cost to income ratio (CIR) than most other banking operations. However, the Wealth Management business is undergoing substantial transformations as a result of technological advancements.

The nature and delivery of financial advisory has evolved owing to the technological innovations in the wealth management space. Digitisation is also enabling creation of opportunities for new client engagements through convergence of both the physical and digital worlds. The changing trends in the increasing number of online trading, brokerage, investment, direct-to-consumer (D2C) and robo-advisors offering user-friendly, low-cost automated solutions are being fuelled by technology adoption. These trends entail coverage for core functions such as investing, asset allocation and portfolio management, and reporting as well. Asset and wealth managers are also restructuring their business models to expand their distribution reach by leveraging technology, while concentrating making processes paperless, easy, faster and on real-time basis.

Already, there are many Wealth Management service providers, who offer segmented client solutions, equipped with a highly individualised communication and investment approach (e.g., FinTechs, robo-advisors). Playing the complete symphony of services linked to customers' requests, along with a tight relationship and a strong brand identity, is an approach that is likely to be extremely effective in defending market position for the players. To deliver Wealth Management services to current and prospective clients in the best possible way, there are three essential processes, as indicated in the figure below.

As a result, the technique of classifying Client-centricity is the most crucial ingredient and an effective way for a company to adopt digitisation, since the client-centric businesses are 60% more lucrative than non-customer-centric businesses. Its most important feature is to create a pleasant client experience throughout the whole value chain, building a culture centered on the client and their demands by providing a 360° customer perspective with the purpose of anticipating the customer's wants and desires.

- **Growth in Financial Assets**

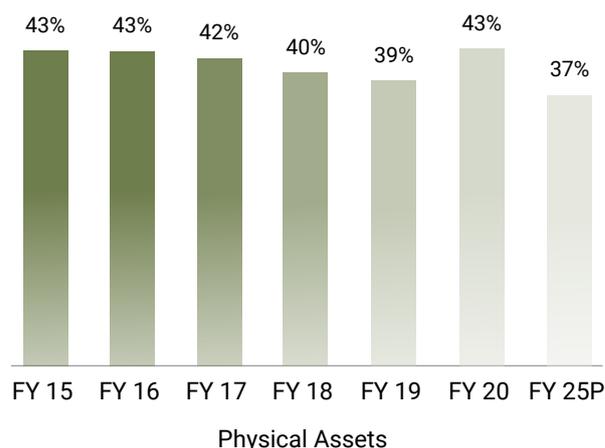
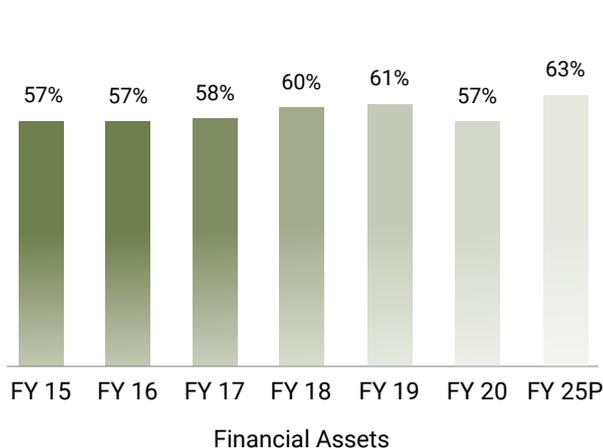
One key trend emerging in the Indian market, is the financialisation of savings, which is effectively showcasing a trend shift from physical to financial assets – i.e., from the traditional Indian mindset of investing in conventional and 'more secure' assets like gold and real estate to pure-play financial assets. The gradual pick-up in economic growth, benign inflation and diminishing attractiveness of physical assets, owing to their subdued returns as investment options have also led to a surge in household financial savings in India. These financial savings are thus expected to find their way into mutual funds, primarily led by the awareness around the product, as is evidenced from the growth in the last five years or so.

The Indian wealth management business has seen a huge increase in wealth, estate and succession planning solutions, on the back of other advisory solutions. The industry has also received ample support owing to the adoption of rapid technology, as well as the improving quality of investment and asset management assistance.

Besides, the financial assets are expected to expand at a far higher rate than tangible assets during the next five years. Financial assets are predicted to account for nearly 63% of total individual wealth by CY 2025, up from 57% in CY 2020, while tangible assets are anticipated to account for 37% of the overall wealth, down from 43% in CY 2020 for the same period.

Management Discussion and Analysis (Contd.)

| (₹ in Billion) | | | | | | | |
|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Category | FY 15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY25P |
| Financial Assets | 1,60,560 | 1,77,880 | 2,01,289 | 2,36,347 | 2,62,106 | 2,62,912 | 5,12,157 |
| Physical Assets | 1,19,890 | 1,32,270 | 1,42,894 | 1,56,101 | 1,67,942 | 2,02,282 | 2,99,136 |
| Total | 2,80,450 | 3,10,150 | 3,44,182 | 3,92,448 | 4,30,048 | 4,65,194 | 8,11,293 |



(Source: CARE Report dated October 22, 2021)

Outlook:

The wealth management services business in India has also been growing in tandem with the increase in the number of UHNWIs and HNIs in the country. According to the Knight Frank Databank, the number of HNIs in India is about to grow by 76.6% by CY 2026 to 14,07,287 as compared to 7,96,961 in CY 2021. Likewise, the number of UHNWIs is expected to clock a 39.4% growth for the corresponding period to reach about 19,006 in CY 2026. The proportion of wealthy Indian populace, although increasing, despite being smaller compared to the developed economies, has one of the world's fastest growing UHNWI populations, both, in terms of number and wealth levels. Thus, the inclination towards building a strong financial assets portfolio, along with the supporting demographics is likely to pose a big opportunity for the wealth management firms to tap the unpenetrated areas.

Besides, some trends do suggest that the sector is mostly concentrated in the urban market, leaving most of the Indian population untouched. One of the most important factors for industry is to establish confidence with the potential customers, which necessitates continual branding, trying to overcome integrity obstacles, investing in technology, and focusing on clarity and adherence. There is a massive opportunity for a wealth management firms to tap into this underpenetrated market with significant upside for future growth. Alongside, with strong factors supporting

economic expansion and growth, along with significant per capita income increment, the investments towards financial savings are likely to continue their growth charter.

Going forward, the wealth management demands of the potential customer would be defined by increased knowledge, a shift in attitude toward growing money rather than preserving wealth, and technological improvements. Thus, technology adoption is anticipated to play a major influence in determining the beneficiaries. The players who would successfully be able to cater the increased demand and have cost effective methods to service this clientele in a relevant manner would have a definite advantage over the long term.

COMPANY OVERVIEW:

Anand Rathi Wealth Limited (ARWL) is part of the Anand Rathi Group, which was founded in 1994 by Mr. Anand Rathi and Mr. Pradeep Gupta with an emphasis on stock-broking offerings and has since grown into a wide range of financial products consortium in India with a presence in sections such as non-banking financial services, wealth management, stock-broking, investment banking, and insurance broking. The Anand Rathi Group has grown its geographic reach and now has presence across India and the Middle East, which are serviced by business associates and representative office buildings firms.

Management Discussion and Analysis (Contd.)

ARWL is one of India's leading non-bank wealth solution firms in India. The Company's main Private Wealth (PW) vertical caters to HNI and UHNI segment with well-researched solutions that facilitate investments in financial instruments through an objective-driven process. Our focus is towards HNI segment of clients (i.e., individuals with net worth between ₹ 5 Crores to ₹ 50 Crores), which is an attractive and underserved segment in terms of quality of service. We further believe that creating a platform to serve this segment is often time-consuming and difficult to build. In our experience, Clients belonging to the HNI segment are less price sensitive and appreciate the high quality and personalised services we offer.

As on March 31, 2022, we manage approximately ₹ 32,054 Crores in assets for 7,082 active client families in India. Bengaluru, Chandigarh, Chennai, Delhi, Gurugram, Hyderabad, Kolkata, Mumbai, Noida, Pune, Rajasthan, and Dubai are among the 12 places where we have 271 Relationship Managers who drive our wealth solution offerings.

₹ 32,054 Crores

Assets Under Management (AUM for PW) (as of March 2022)

Ranked 3rd

Gross commission earnings ranking in the top three non-bank mutual funds.

7,082 Active Client Families

Private Wealth Vertical Caters (as of March 2022)

271

Relationship Managers (RMs) (as of March 2022)

11 cities in India + Dubai

Presence (as of March 2022)

In addition to the PW segment, we have two other new-age technology-led business verticals, i.e., Digital Wealth (DW) and Omni Financial Advisors (OFA). Debuted in 2016, DW has achieved promising results in its endeavour to develop a 'Partner-led' distribution network. The DW vertical is a fintech expansion of Company's offering, addressing the

market's vast mass wealthy sector (i.e., persons with financial assets ranging from ₹ 1 Lakh to ₹ 50 Lakh) with a wealth solution given through a 'phygital channel,' or a blend of human contact and technology. Our OFA vertical is another strategic extension for capturing the wealth management landscape through which we provide a technology platform for Mutual Fund Distributors (MFDs) to service their clients and grow their business.

3,900 +

DW Vertical Clients

316

CEPs (Client Engagement Partners)

5,343

No. of Independent Financial Advisors (IFAs)

17 Lakhs

No. of Platform Clients

STRENGTHS THAT DIFFERENTIATE US FROM OTHERS

1. Focus on the underserved and less price sensitive HNI segment:

Our research about the market has enabled us to identify the most underserved yet lucrative HNI segment with net-worth of ₹ 50-500 Million. These individuals seek quality and value addition as opposed to low-cost solutions. Our expertise and experience allow us to leverage uncomplicated, standardised and research approach to scale values over a period of time.

2. Objective-driven approach:

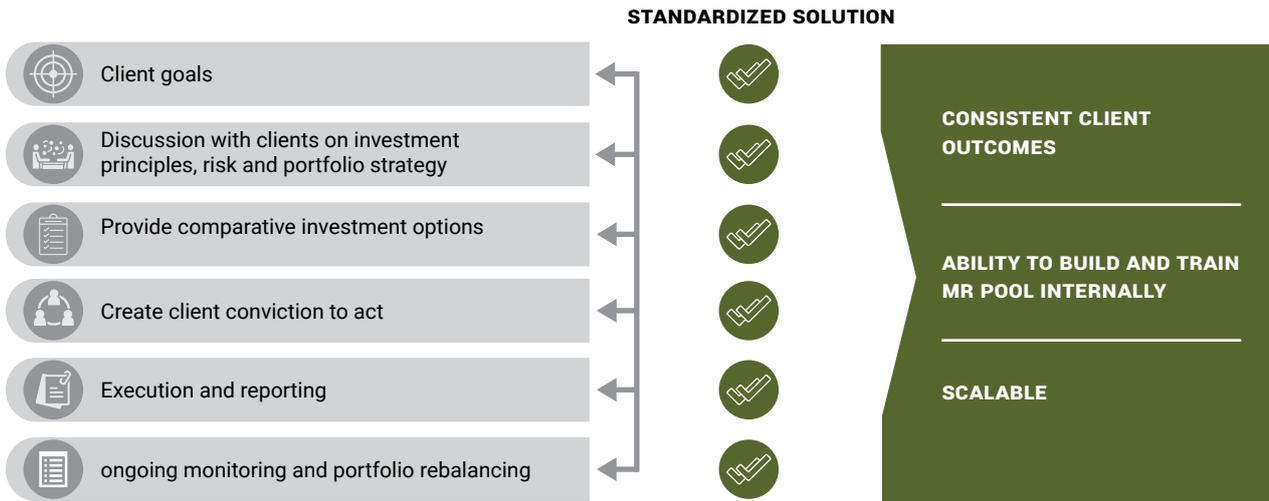
We believe in an 'uncomplicated' objective-oriented approach which helps our clients identify their wealth goals and underpins their investment decisions. Our process driven approach enables us to provide customised wealth solutions to our customers. This approach is based on offering optimal combination of mutual funds and MLDs making it relatively simpler for clients to understand. This combination envisages liquidity in addition to limited risk to capital. Thereby, helping us create value for our clients in the medium and long term.

Management Discussion and Analysis (Contd.)

3. Value-added services:

As part of our holistic and comprehensive service approach to clients, we also offer estate planning,

succession planning and creating wills. This safeguards and enables smooth transmission of wealth, which brings effective long-term relationship.



4. Experienced Team:

A skilled management team with vast expertise in the private wealth industry guides ARWL at the top, who lead from the front. They are technically the RMs of the Company first, and leaders later. Data and logic supersedes the position in the Company. The leadership has played a crucial role thus far, in shaping up the culture of the organisation and is expected to continue the same role going forward too. The next in line, including the Relationship Managers (RMs) and Account Managers (AMs) are highly skilled with great academic and professional backgrounds.

271

.....
No. of RMs

5. Relationship Managers – Our warriors

Their RMs recruitment and retention for the firm cannot be underscored. We have built a culture that boasts of being an inhouse nursery for future RMs as well. The value proposition is a culmination of the painstaking efforts of more than 15 years having built a strong base to ingrain this. This proposition is

further underpinned by the increasing proportion of the RMs who have been in the system in the 5+ years' vintage category.

The RMs are very experienced and well-equipped to review a client's entire balance sheet and accordingly, based on risk appetite, recommend solutions to them to maximise their returns, through a set process and strategy.

6 Entrepreneurial work culture:

We constantly strive towards enhancing our work environment and work culture. We promote and focus on an entrepreneurial work culture as an integral part of our business strategy. We encourage and help our RMs to prepare their own business plans, focus on new client acquisitions without any geographical restrictions or collaborate with other team members, and actively mentor new hires. Besides, owing to a true entrepreneurial culture, we have in place revenue based 'uncapped incentive' policy. A transparent and a standardised formula-based approach has been adopted since inception. Our all employees in the role of business heads, including unit heads and team leaders, actively also work as RMs and manage client relationships.

Management Discussion and Analysis (Contd.)

7. Unique Hiring Strategy

We have a unique RM hiring strategy. We hire account managers, who are business management graduates from top b-schools / CAs (rank holders / first attempt passed) by qualification. These AMs assist RMs in servicing clients. Each RM is usually assisted by one AM. A regular development and nurturing plan is in place that focuses on intensive training and guidance, to hone their skills to transition to RMs.

8. Digital Offerings:

We feel that Information Technology is one of the most important indicators for our organisation's smooth operations and hence always placed it a strong priority. In keeping with the digital wealth management vision, we have provided digital tools to the human resources across the organisation and even to our channel partners. Utilising technology, a whole packaged Digital Wealth (DW) solution is supplied through a completely changeable and adaptable business model. Another is Omni Financial Advisor (OFA) is a platform for IFAs and their clients with a co-branded mobile-first integrated technology platform, serving the broad retail industry.

FINANCIAL REVIEW (CONSOLIDATED):

| Particulars | ₹ in Crores) | |
|--------------------------|--------------|------------|
| | FY 2020-21 | FY 2021-22 |
| Revenue from Operations | 265 | 417 |
| Total Revenue | 279 | 426 |
| Total Operating Expenses | 196 | 240 |
| PBT | 63 | 168 |
| PAT | 45 | 127 |

Revenue:

Our overall revenue from operations increased to ₹ 417.49 Crores for FY 2021-22 from ₹ 265.33 Crores for FY 2020-21, representing an increase of 57.35%. This increase in can be attributed to the following reasons:

- Increase in trail income from ₹ 90.23 Crores for FY 2020-21 to ₹ 153.97 Crores for FY 2021-22, growth of 70.63% Y-o-Y.
- Increase in income from distribution of financial products from ₹ 168.64 Crores for FY 2020-21 to ₹ 258.76 Crores for FY 2021-22, growth of 53.44% Y-o-Y.

Employee Expenses

The Employee benefit expenses went up by ₹ 40.73 Crores to ₹ 191.49 Crores for FY 2021-22 from ₹ 150.76 Crores for FY 2020-21, representing an increase of 27.02%. The increase could be attributed to the increase in our total employee count and investments towards learning and development undertaken for their upskilling. The employee count increased from 716 as of March 31, 2021 to 827 as on March 31, 2022.

Other Expenses

Other expenses primarily comprised of office rent, business promotion and marketing expenses, travelling and conveyance expenses, Data Processing and IT-enabled services, Communication expenses etc. Total other expenses increased by 8.45% Y-o-Y from ₹ 44.99 Crores in FY 2020-21 to ₹ 48.80 Crores in FY 2021-22.

Profit Before Tax (PBT):

For FY 2021-22, we recorded a PBT of ₹ 167.67 Crores, representing a robust growth of 166.64% over ₹ 62.88 Crores recorded in FY 2020-21. This increase was on account of overall improvement in operational efficiencies. Total operating expenses grew by 22.75% Y-o-Y, from ₹ 195.75 Crores in FY 2020-21 to ₹ 240.28 Crores in FY 2021-22. This has resulted in improvement in PBT margin from 22.52% in FY 2020-21 to 39.39% in FY 2021-22.

Profit After Tax (PAT):

Our PAT improved significantly recording a growth of 184.15% to ₹ 126.80 Crores for FY 2021-22 as against ₹ 44.62 Crores for FY 2020-21. This growth can be attributed to the 121.96% Y-o-Y growth recorded in EBITDA and lower depreciation, interest cost and effective tax rate compared to the previous year.

Management Discussion and Analysis (Contd.)

Financial Ratios:

| Ratios | FY 2020-21 | FY 2021-22 |
|--|-------------------|-------------------|
| PBT Margin (PBT /Total Income) | 22.52% | 39.39% |
| Net Profit Margin (Net Profit After Tax/Total Income) | 15.98% | 29.79% |
| Return on Average Net worth | 19.78% | 41.68% |
| EPS | 10.87 | 30.49 |
| Current Ratio (Current Assets/Current Liabilities) | 1.74 | 2.06 |
| Debt-Equity Ratio (Net Debt/Net Worth) | 0.14 | 0.07 |

RISK MANAGEMENT:

The Company has an excellent risk management policy in place, with multiple risk strategies, rules, processes, and systems in place to control and minimise risk such as credit risk, liquidity risk, market risk, interest rate risk, foreign currency risk, equity price risk and digital risk as the Company has its presence digitally also. The Company has a comprehensive integrated risk management department that looks after both, historical and forecasted data risk associated with the Company and mitigates those risks to stabilise the business operations.

Management Discussion and Analysis (Contd.)

| Risk | Impact | Mitigation |
|-------------------------------|--|--|
| Dependency on AuM Performance | We earn distribution commission from asset management companies. We also generate a part of our operating income through purchase and sale of financial products to our clients. The mutual fund products distributed, and financial products sold, to our clients constitute a significant part of our AuM and revenue. | We follow an uncomplicated, standardized and research-based approach to offer appropriate financial products to clients. Post screening of client's balance sheet a detailed research is conducted that helps us identify products that best suits our clients expectations. |
| Regulatory | We are subject to regular scrutiny and supervision by various regulators, statutory bodies and self-regulatory organisations such as SEBI and AMFI. The requirements imposed by these regulators are designed to ensure the integrity of the financial markets and to protect investors' interests. Any non-compliance with regulatory guidelines and directions in future may result in regulatory actions, which includes issuance of administrative/warnings/deficiency letters, fines or sanctions imposed by these regulators and, in certain circumstances, could lead to revocation of certain of our licenses. | Our compliance team aims to ensure that we comply with applicable regulations including the Securities and Exchange Board of India (Intermediaries) Regulations, 2008, the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, the industry body, Association of Mutual Funds in India (AMFI) and various circulars and notifications issued by SEBI from time to time. The team is responsible for compliance with various laws including corporate law, rules and regulations prescribed by the RBI and SEBI. Periodic compliance checks are conducted by the team for our Company and our Subsidiaries. In addition, when needed, the external consultant/ chartered accountant also carry out certain additional procedures. |
| Employee dependency | Competition in our industry for skilled management and efficient employees is high. Our business and the implementation of our strategy are dependent upon our management team, who oversee our day-to-day operations, strategy and growth of our business and also on our Relationship Managers, who are integral for our Company to manage existing client relationships as well as establish new client relationships. | We have a unique hiring strategy and work culture that has led to lower regret RM attrition. We have always encouraged a 'true' entrepreneurial culture with an uncapped growth potential through no-cap incentives; transparent and flexible approach that allows them to prepare their own business plans amongst others. There is a prominent focus through investments towards training and skill upgradation. |
| Technology | Increased adoption of advanced technologies such as chatbots, IoT, AI, and big data analytics, have led toward the wealth management market growth. In addition, with increase in digitalisation, wealth management providers are looking forward to quickly invest on client engagement by providing digital and voice-enabled assistants. | The Company is increasingly investing in new technologies such as robo-advisor, artificial intelligence (AI), robotic process automation, and digital identification (ID) technologies for improving customer experience. |
| Regulatory landscape | Regulators are moving their focus towards other parts of the financial system including private wealth managers. There is an increased regulatory focus on transparency of pricing, fees and independence of PWMs. Changes to commission and incentive structures and obligations could change intermediaries' product selection processes. Regulation of distribution through digital channels and robo-advice could also change. | We charge our commission from the scheme and not from the AMC/Associate/Sponsor/Trustee, or any other route. Further, as per recent trail model, we have adopted the full trail model of commission in all schemes. |
| Privacy | Security and privacy are HNIs' key concerns. However, they are becoming increasingly comfortable with the use of technology and now expect online and digital functionality in many aspects of their lives. | Our training programmes are focused on overcoming trust barriers, invest in technology and focus on transparency and compliance. With increasing mobile phone penetration, we are using technology to build transparency in an efficient manner which in turn helps to develop informed customers. |

Management Discussion and Analysis (Contd.)

INTERNAL CONTROL SYSTEMS:

The Company has an internal management control department that is independent and proportionate to its size and scope. It assesses the effectiveness of all internal controls and processes, and guarantees that all systems and procedures, as well as the regulatory and legal framework, are followed to the letter. Anand Rathi Wealth Limited has improved its internal audit function by hiring domain specialists to improve control effectiveness. Internal audit reports, as well as the sufficiency and effectiveness of internal controls, are reviewed by the Audit Committee of the Board of Directors on a regular basis.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG):

As a responsible corporation, Anand Rathi Wealth Limited strives to provide long-term value for all the stakeholders by providing financial products and services that assist us to meet the unfulfilled social requirements, allow a functioning society, and reduce environmental impact.

Environmental:

The Company has set objectives and engaging strategies to decrease its carbon footprint and influence on the environment.

Social:

Anand Rathi Wealth Limited supports a diverse and talented workforce by recognising performance, encouraging community involvement, and investing in future potential. The organisation takes great precautionary measures to ensure that everyone works in a safe and healthy environment. They are devoted to improving labour and human rights in their operations and supply chain. People of different ethnicities, genders, and social and economic backgrounds are welcome in the organisation.

Governance:

Governance of the Company entails us to conduct business with utmost honesty. We have 4 Independent Directors on board. We follow the best practices to implement excellent corporate governance framework across the board.

HUMAN RESOURCES:

Our employees have a significant role to play in our success and we constantly strive towards enhancing our work environment and work culture. We enable an entrepreneurial

culture with a flexible outlook to business, uncapped incentives to RMs and an experienced management team which leads with example. We strive to maintain a work environment that fosters professionalism, integrity, excellence and cooperation among our employees. This has accorded the company with 'Great Place to Work,' a designation that recognises the Company's culture.

Our HR practices enables us to recruit and retain talent in an increasingly competitive market, as well as build a work culture that is always devoted to giving workers the best chances to reach their full potential. We reward our people for their contributions and performance, which are based on metricised work deliverables and immediately reflected in their earning potential. This provides employee ownership and participation all the way down to the frontline workforce. The Company takes full advantage of the opportunities and gives incentives and bonuses to their employees.

Learning and development

We regularly train our Relationship Managers and Account Managers (approximately three hours a week of training for every Relationship Manager and Account Manager), thereby ensuring that a consistent service is provided to all our clients. We provide intensive training and guidance, to develop the skills of AMs which helps in their smooth transition to the role of an RM. Over the last three years 77 AMs have successfully progressed into the role of RM. As of March 31, 2022 our total employee strength had increased to 827 as compared to 716 as of March 31, 2021.

CAUTIONARY STATEMENTS:

Information in the Management Discussion and Analysis that describe the Company's aims, plans, or projections may be considered forward-looking under applicable securities laws and regulations. Actual outcomes may differ significantly from those stated in the statement. Fierce competition leading to price cuts, high volatility in prices of major inputs such as steel, cement, building materials, and petroleum products, changes in government regulations, tax laws, economic developments within the country, and other factors such as litigation and labour relations are all principal factors that could affect the Company's operations.

Board's Report

To

The Members of
Anand Rathi Wealth Limited

The Directors of your Company have the pleasure in presenting the 27th report together with the audited financial statements for the financial year ended March 31, 2022.

1. FINANCIAL PERFORMANCE

Standalone Financial Performance:

| | (₹ in Crore) | |
|--|---------------|--------------|
| Particulars | 2021-22 | 2020-21 |
| Total Revenue | 408.95 | 262.25 |
| Total Operating Expenses | 230.25 | 184.76 |
| Interest | 2.01 | 2.75 |
| Depreciation | 10.73 | 12.39 |
| Profit before Taxation | 165.96 | 62.35 |
| Tax Expenses | 40.51 | 18.13 |
| Net Profit for the year | 125.45 | 44.22 |
| Earnings per share on equity shares of ₹ 5 each | | |
| Basic (in ₹) | 30.18 | *10.78 |
| Diluted (in ₹) | 30.05 | *10.65 |

Consolidated Financial Performance:

| | (₹ in Crore) | |
|--|---------------|--------------|
| Particulars | 2021-22 | 2020-21 |
| Total Revenue | 425.63 | 279.25 |
| Total Operating Expenses | 240.28 | 195.75 |
| Interest | 2.02 | 2.89 |
| Depreciation | 15.65 | 17.73 |
| Profit before Taxation | 167.67 | 62.88 |
| Tax Expenses | 40.87 | 18.26 |
| Net Profit for the year | 126.80 | 44.62 |
| Earnings per share on equity shares of ₹ 5 each | | |
| Basic (in ₹) | 30.49 | *10.87 |
| Diluted (in ₹) | 30.36 | *10.74 |

*Adjusted for effect of Bonus Shares issued in 2021-22.

2. REVIEW OF THE STANDALONE FINANCIAL RESULTS

During the year under review, your Company's standalone revenue was ₹ 408.95 Crore as against ₹ 262.25 Crore in 2020-21, an increase of 56% Y-o-Y. The Company has earned Net profit after tax of ₹ 125.45 Crore versus ₹ 44.22 Crore in 2020-21, registering a Y-o-Y growth of 184%.

| Key Ratios (Standalone) | 2021-22 | 2020-21 | Variance % |
|-------------------------|---------|---------|------------|
| PBT Margin | 40.58% | 23.77% | 16.81 |
| Net profit Margin | 30.68% | 16.86% | 13.82 |
| Return on Net Worth | 37.99% | 17.52% | 20.48 |
| Debt/Equity Ratio | 0.07 | 0.12 | (45.02) |

Board's Report (Contd.)

3. REVIEW OF THE CONSOLIDATED FINANCIAL RESULTS

During the year under review, your Company's consolidated revenue was ₹ 425.63 Crore as against ₹ 279.25 Crore in 2020-21, an increase of 52% Y-o-Y. The Company has earned Net profit after tax of ₹ 126.80 Crore versus ₹ 44.62 Crore in 2020-21, registering a Y-o-Y growth of 184%.

| Key Ratios (Consolidated) | 2021-22 | 2020-21 | Variance % |
|---------------------------|---------|---------|------------|
| PBT Margin | 39.39% | 22.52% | 16.87 |
| Net profit Margin | 29.79% | 15.98% | 13.81 |
| Return on Net Worth | 41.68% | 19.78% | 21.90 |
| Debt/Equity Ratio | 0.07 | 0.14 | (50) |

The Company's standalone AUM was at an all-time high at ₹ 32,054 Crores as of March 31, 2022, +23% Y-o-Y. We witnessed strong growth in revenues and profit during the year led by robust net mobilisation of ₹ 2,754 Crores, increased 148% Y-o-Y. Our net mobilisation was at multi period high in the last quarter and stood at ₹ 840.49 Crores. During 2021-22, there was a strong improvement in RM productivity. The client acquisition too saw an encouraging growth with number of Active Client Families for our business increasing 16% Y-o-Y to 7,082. Our product mix contains 84% of the equity linked products.

The Company is amongst one of the top three in terms of gross commissions earned among non-bank Mutual Fund Distributors and top in the direct delivery to client category for 2020-21, 2019-20 and 2018-19.

The key highlights for 2021-22 are as follows:-

- Highest ever Annual Revenue and Profit
- Highest ever Net worth and Balance Sheet size crossing 500 Crore mark
- Highest ever dividend paid
- Highest ever net mobilisation

4. DIVIDEND

During the year, the Company had declared and paid an interim dividend of ₹ 5.00 per equity share (100% of face value). The Board has also recommended a final dividend of ₹ 6 per Equity Share (120 % of face value) of ₹ 5 each for the financial year ended March 31, 2022, for the approval of the Shareholders at the ensuing Annual General meeting. The Final dividend, if declared, will be paid after the Annual General Meeting. The Dividend Distribution Policy is uploaded on the website at <http://anandrathiwealth.in/newpdf/pdf/3dec/DividendDistributionPolicy.pdf>

5. INITIAL PUBLIC OFFER AND LISTING OF EQUITY SHARES OF THE COMPANY

During the year under review, the Company has successfully completed the initial public offering of its equity shares through an offer for sale of 12,000,000 equity shares aggregating to ₹ 659.38 Crores by total nine selling shareholders, for cash at a price of ₹ 550 per equity share (₹ 25 discount for eligible employees bidding in employee reservation portion) through book building process.

The IPO got oversubscribed by 9.78 times, even in volatile and difficult market conditions. It received overwhelming response from the investors. The stock debuted at ₹ 602.05 on BSE (9.46% premium over issue price).

The equity shares of your Company have been listed on the BSE Limited and the National Stock Exchange of India Limited on Tuesday, December 14, 2021. The stock performance is provided in the Report on Corporate Governance forming part of this Report.

6. AWARDS:

In recognition to the services rendered in the wealth management space, the Company and the senior management team has bagged following awards during 2021-22:

- Customer Service Excellence Award by World Leadership Congress and Awards 2021
- Great Place to Work Certification 2021
- The Extraordinaire - Game Changers - 2020-2022 by Brand Vision Summit 2022 by NexBrandsInc
- The Dynamic Leader - 2020-2022 to Mr. Feroze Azeez, Deputy CEO by Brand Vision Summit 2022 by NexBrandsInc

Board's Report (Contd.)

7. SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Company increased from ₹ 20 Crore divided into 4 Crore equity shares of ₹ 5/- each to ₹ 25 Crore divided into 5 Crore equity shares of ₹ 5 each.

The paid up share capital of the Company increased from ₹ 1,375.68 Lakhs to ₹ 2080.81 Lakhs on account of:-

- a) Allotment of 230,580 equity shares of ₹ 5 each to the eligible employees under ESOP-2017 and 2018 schemes; and
- b) Allotment of 13,872,087 equity shares of ₹ 5 each as bonus shares to the shareholders of the Company holding shares as on record date i.e. July 15, 2021.

8. EMPLOYEE STOCK OPTION SCHEMES

The Company had implemented two Employee Stock Options (ESOP) Schemes, namely "Employees Stock Option Plan 2017" ("ESOP 2017") and "Employees Stock Option Plan 2018" ("ESOP 2018"). The schemes act as a retention tool and helps to promote a culture of ownership among employees. There was no change in the ESOP scheme during the financial year under review and no employee was granted options equal to or exceeding 1% of the issued share capital of the Company.

The Schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEBSE"). The disclosure in compliance with SBEBSE Regulations, is available on the Company's website at : <http://anandrathiwealth.in/Investorrelations.php>

In compliance with the requirements of the SBEBSE Regulations, a certificate from auditors, confirming implementation of the Scheme in accordance with the said regulations and shareholder's resolution, will be available for electronic inspection by the members during the AGM of the Company.

9. TRANSFER TO RESERVES

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

10. INDUSTRY OVERVIEW

Wealth Management in India:

Given India's economic prospects, good demographics, growing income levels, higher number of taxpayers every year, increasing number of US\$ Millionaires and the current levels of low penetration, the Indian

Wealth Management industry is on a steady upward trajectory. While India's affluent population is modest in comparison to established markets, the country's wealth is expected to expand rapidly in the future. The crucial factors for a high-growth wealth management business in India include a huge and youthful mass affluent section which is emerging partially due to the technology intervention; an increase in global Indians' wealth; and the Indian government's attempt to regulate unlawful channels of money and tighten capital market laws.

Historically, households in India have been quite risk averse and wary of investing their savings into volatile or uncertain return-based assets. A pursuit of safe bets has always driven India towards making investments in physical assets like gold. However, this pattern is slowly changing over time, especially post announcement of demonetisation in November 2016. Also, the country has seen a major shift in attitude from capital preservation to wealth creation since 2016-17.

Wealth Management today, has evolved to an end to end Money Management Solutions for every investor ranging from an Individual Investor/family, Corporate Investor, HUF (Hindu Undivided Family) to a Trust. Private Wealth Management involves providing prudent investment solutions, Corporate and Treasury Advisory, Off Shore Advisory and Family Office.

With a likely growth rate of India's GDP projected at 9.2% in 2022, the country will remain a key growth driver of global economy. Against this backdrop, individual wealth in India is expected to grow at a CAGR of 11.76% till 2024-25 and is likely to nearly double to ₹ 811,293 Billion by 2024-25. In the next five years, financial assets will witness much faster growth rate as compared to physical assets. As far as individual contribution is concerned, financial assets are expected to form almost 63% of the total individual assets by 2024-25 vs 57% in 2019-20, physical assets are expected to be restricted to 37% of the total wealth vs 43% in 2019-20. The reduction in bank deposit rates in the past year has further led to a shift in investment to mutual funds and the stock markets.

(Source-Karvy India Wealth Report 2020.)

The implementation of various reforms such as GST, RERA, new insolvency and bankruptcy code and recapitalisation of banks and Corporate Tax cuts among others are likely to shift informal sectors into the formal economy and hence, boost GDP growth and individual wealth in the medium to long term.

Board's Report (Contd.)

According to a report titled 'Global Wealth 2021: When Clients Take the Lead', published in June 2021 by the Boston Consulting Group (BCG), financial wealth grew among Indians at 11% p.a. from 2015 to 2020 and is further expected to increase at 10% p.a. to US\$ 5.5 Trillion by 2025.

Wealth management firms will have to adopt technological advancements and provide individualised, comprehensive advice aligned with the changing investment trends and needs. Constant innovation and new ways to deliver services will continue to disrupt the industry.

To conclude, it can be said that since India has the lowest mutual fund penetration globally, the mutual fund industry in the country provides huge scope for growth and development. The total AUM to GDP ratio of India stands at a mere 16%, way below the global average of 63%. Countries like the US have AUM to GDP ratios of over 100%. Real estate and gold have become less attractive forms of investments post demonetisation. Even the reduction in bank deposit rates in the past year has led to a shift in investment to mutual funds and the stock markets. Financial Assets are expected to reach ₹ 512 Trillion by 2024-25 at a CAGR of 14.27% and Physical Assets would grow at 7.56% CAGR to reach ₹ 270 Trillion by 2023-24. India is expected to be the fourth largest private wealth market globally by 2028.

Indian Mutual Fund Industry:

Last two years the mutual fund industry faced hardship due to the pandemic as the income of the people suffered during the period. But slowly after the second wave the industry started gaining momentum as lot of investors who held their SIPs during the period started investing back and there was liquidity in the market. For the month of February 2022, the Indian mutual fund industry's Average Assets Under Management were ₹ 3,856,140 Crore. There are some key trends which are increasing the demand of mutual fund industry. In India the mutual fund industry's assets grew as a result of strong stock market performance and net inflows into equity schemes. As individual investors started investing in mutual funds, the Individual investors' holdings in mutual funds grew in value from ₹ 17.18 Lakh Crore in February 2021 to ₹ 21.02 Lakh Crore in February 2022.

The industry's Average Assets Under Management were at ₹ 36.17 Trillion for the quarter ending December 31, 2021. Source: [https://www.mordor](https://www.mordorintelligence.com/industry-reports/india-mutual-fund-industry)

[intelligence.com/industry-reports/india-mutual-fund-industry](https://www.mordorintelligence.com/industry-reports/india-mutual-fund-industry)

11. BUSINESS OVERVIEW

Private Wealth Business – Anand Rathi Wealth Limited:

We are one of the leading non-bank wealth solutions firms in India. From an AMFI registered mutual fund distributor we have transformed ourselves to become a well know wealth solutions provider in India. We offer well researched solutions by facilitating investments in financial instruments through an objective-driven process. We provide services primarily through our flagship Private Wealth ("PW") vertical where we manage ₹ 32,054 Crore in AuM as on March 31, 2022.

We have achieved a dominant position in wealth and distribution services space, with a focus on the growing HNI segment through an uncomplicated, holistic and standardised offering, delivered through an entrepreneurial team of private wealth professionals, known as Relationship Managers ("RMs").

We are AMFI registered mutual fund distributor and have evolved into providing, well researched solutions to our Clients by facilitating investments in financial instruments through an objective driven process. As of March 31, 2022, our PW vertical caters to 7,082 active client families, serviced by a team of 271 RMs. As on March 31, 2022, 57.13% of our Clients have been associated with us for over 3 years, representing 75.40% of our total PW AuM, which shows our strength in vintage of both clients and their AuM in our business. We are currently present across 11 cities in India, namely, Mumbai, Bengaluru, Delhi, Gurugram, Hyderabad, Kolkata, Chennai, Pune, Chandigarh, Jodhpur and Noida and we have a representative office in Dubai.

The HNI segment of clients (i.e., individuals with net worth between ₹ 5 - 50 Crore), is an attractive and underserved segment in terms of quality of service and creating a platform to serve this segment is often time consuming and difficult to build. In our experience, Clients belonging to the HNI segment are less price sensitive and appreciate the quality of personalised services we offer. Our client families have consistently grown with new family additions of 973 in 2021-22.

Our process driven approach, aims to achieve consistent Client outcomes through a standardised investment strategy, augmenting our RM capability. With regards to mutual fund distribution, we have

Board's Report (Contd.)

devised in-house methodologies that consider a defined set of parameters for mutual fund selection. Non-Convertible Market Linked Debentures (MLDs) form an integral part of our model portfolios enabling predictable returns, with lower risk as compared to equity investment over a medium to long term period. Our product mix of mutual funds and MLDs, further positions us well to capture our target clientele.

As part of our holistic approach to clients, we also facilitate estate planning, succession planning and create wills as part of our core objectives, without charging any cost to our Clients. We also have in-house team of experts that help clients with estate planning and succession planning by creating wills and trusts, besides helping clients with strategic tax advisory related to their investment portfolios. In 2021-22, we have helped clients write about 632 Wills and helped set up over 138 Private Family Trusts for them. This holistic approach to their wealth is highly appreciated by the clients. The events and vulnerabilities of the last Financial Year have increased our conviction on the importance of having a well-designed estate plan.

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

AUM of PW vertical have increased from ₹ 26,058 Crores as on March 2021 to ₹ 32,054 Crores as on March 2022, an increase of 23%. Our net active client families have increased from 6,109 as of March 31, 2021 to 7,082 as of March 31, 2022 – registering a growth of 16% and no. of RMs increased from 233 as of March 31, 2021 to 271 as of March 31, 2022.

Objectives

Our objectives are as follows:

1. Wealth Creation for our clients by targeting a return ranging between 12%-14% p.a. that beats HNWI Inflation of ~8%
2. Wealth Preservation: Creating a liability free asset to safeguard against external liabilities and; minimise possible estate duties and surcharge on Income Tax
3. Wealth Transmission: Establishing an estate plan to ensure near zero transmission loss

Strategy:

1. Asset Allocation: Asset Allocation Decision is the most critical. It has a 93% Impact on returns

2. Product Selection: Out of 17 instruments available in the market place, based on Returns, Risk and Cost, currently only 3 are chosen from clients' perspective (Equity Mutual Funds, Debt Mutual Funds and Market Linked Debentures)
3. Selection of Equity Mutual Funds: 11 Equity Mutual funds are selected from a universe of 491 in order to give an alpha of 3% p.a. over and above NIFTY 50
4. Importance of Market Linked Debentures in the Portfolio
5. Formulating a Trust and Creation of Will to meet clients' requirements in order to provide value addition by these ancillary services
6. Creation of a policy of entrepreneurial culture for recruitment and retention of relationship managers

Future Outlook

The wealth management industry is doing a monumental shift due to changing demographics, the influx of new generation potential investors, transitional global scenarios, and most importantly the rampant digitalisation. This pace of change has been long predicted but the pandemic had accelerated its adoption, providing continuous opportunities as well as posing new challenges for the wealth managers to sustain, grow, and strive in the market.

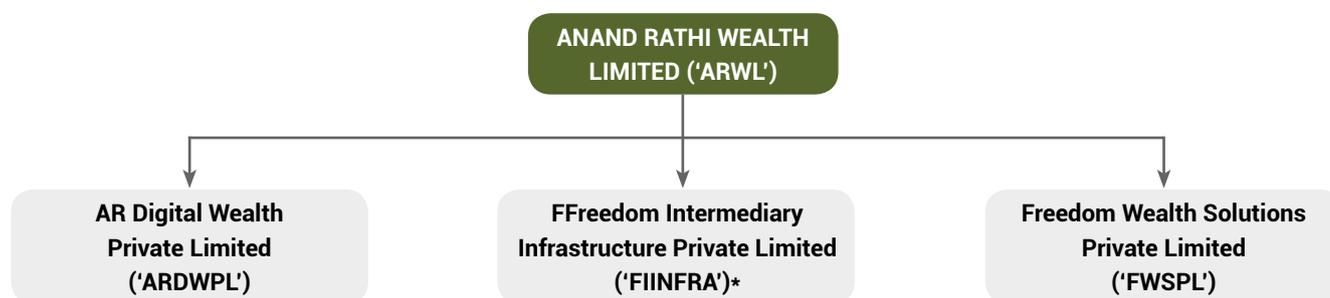
The roadmap to provide strong long term growth visibility by the Company can be placed as follows:

- Client stickiness due to almost zero attrition, since the portfolios are generating 12-13% returns. This will lead to a 10% growth in business
- Scope of penetration in the existing 7,000+ clients families. This has potential to contribute towards another 10% growth
- Capacity increase of the existing relationship managers in terms of increase in number of clients has potential to contribute 5-10% growth
- Addition of new relationship managers can conservatively add to another 5% growth

12. SUBSIDIARY COMPANIES

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

Board's Report (Contd.)



*Wholly owned subsidiary

Pursuant to Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") AR Digital Wealth Private Limited was a Material Subsidiary of the Company for 2021-22.

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

a) AR Digital Wealth Private Limited - Digital Wealth (DW) Vertical

AR Digital wealth ("DW vertical") is a fin-tech extension of our proposition, born from the extensive learnings from experience in the Private Wealth solutions. The idea was to address the large mass affluent segment of the market with a wealth solution delivered through a 'phygital channel' i.e. a combination of human distributor empowered with technology. It seeks to build a scalable and profitable model by using this blend of technology capabilities and human interface.

The Business has seen encouraging results in its attempt to build a Partner led distribution model through whom this packaged Investment solution is delivered. These Partners are AMFI registered Mutual Fund Distributors and IFAs who are seeking to grow their business by taking the Anand Rathi brand, Product research, Selection and Investment Insights to their clients through an innovative easy-to-use Technology interface.

As of March 31, 2022, the AuM for our DW vertical was ₹ 852.14 Crore with 3,907 clients and 316

client engagement partners. The offering has a dedicated client mobile application and that is the primary mode of engagement between the partner and the client. This enables a single Partner to service a larger number of clients even though the client segment has a lower average AuM size. This results in positive unit economics of the business. We believe this model is highly scalable with a disruptive channel strategy since is not dependent on its geographical presence and can reach cities where physical scalability may not be cost effective.

The operating revenue of ARDWPL for 2021-22 stood at ₹ 9.38 Crore as compared to previous year operating revenue of ₹ 5.16 Crore.

b) FFredom Intermediary Infrastructure Private Limited - Omni Financial Advisors ("OFA") Vertical

Our OFA vertical is another strategic extension for capturing the wealth management landscape. With OFA we provide a technology platform for Independent Financial Advisors ("IFAs") to service their clients and grow their business. It is one of India's leading tech platforms for IFAs in terms of number of subscribers as of March 2022.

As of March 31, 2022 it has 5,343 IFAs, around 17.14 Lakh Platform Clients and ₹ 79,800+ Crore of platform AUM. Platform Clients are the clients that are serviced by the IFAs and platform AUM is AUM managed by IFAs for their clients.

OFA helps IFAs in mobile based client reporting, online transactions and financial planning for their clients. Coupled with analytics, data management and business management systems and a dedicated team of support and technology specialists, it endeavours to be one stop solution for an IFA.

Board's Report (Contd.)

Highest standards of data security, completeness, quality and authentication are ensured to service the clientele. The core strength is to digitally enable IFAs for better client serving. Anand Rathi Wealth Limited experience of over 13 years in the wealth industry, combined with technology platform has helped us to scale up the business.

The operating revenue of FIINFRA for 2021-22 stood at ₹ 4.76 Crore as compared to previous year operating revenue of ₹ 4.96 Crore.

c) Freedom Wealth Solutions Private Limited:

SEBI had amended the SEBI (Investment Advisers) Regulations, 2013 via circular dated September 23, 2020, which inter alia provides that a non-individual investment adviser shall have client level segregation at group level for investment advisory and distribution services and the same client cannot be offered both advisory and distribution services within the group of the non-individual entity. Accordingly the Company has discontinued its operations under the SEBI (Investment Advisers) Regulations, 2013 though we continue to hold Investment Advisory license.

The operating revenue of FWSP for 2021-22 stood at NIL as compared to previous year operating revenue of ₹ 1.49 Crore.

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the SEBI Listing Regulations the Management Discussion and Analysis Report for the year under review, has been presented in a separate section forming part of this Report.

14. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, the CSR Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the CSR activities which can be undertaken by the Company. The CSR Report on the activities undertaken during the year is provided as **Annexure-2** to this Report. The CSR Policy is available on the website of the Company at the link: <http://anandrathiwealth.in/Investorrelations.php>

The Company has made contributions towards various CSR activities such as promoting special education, healthcare, rural development, animal welfare and homes for women and orphans.

15. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2) of the SEBI Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company, forms part of this Annual report.

16. CORPORATE GOVERNANCE

The Company is committed to pursue and adhere to the highest standard of Corporate Governance as set out by the Securities and Exchange Board of India (SEBI) and the Companies Act, 2013.

In compliance with Regulation 34 read with Schedule V of the SEBI Listing Regulations, a Report on Corporate Governance for the year under review is presented in a separate section forming part of this report.

A certificate from M/s. Dharmesh Bohra and Associates, Company Secretaries, Mumbai confirming compliance with the conditions of corporate governance, as stipulated under the SEBI Listing Regulations, is annexed as **Annexure 3** to this report.

17. CHANGE IN THE NATURE OF BUSINESS

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

18. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the

Board's Report (Contd.)

assets of the Company and for preventing and detecting fraud and other regularities;

- iv) they had prepared the annual accounts on a going concern basis.
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

- a) The Company being engaged in the financial services activities, its operations are neither energy intensive nor does it require adoption of specific technology. Hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. Nevertheless, the Company is vigilant on the need for conservation of energy.
- b) There were no inflow or outflow of foreign exchange during the financial year ended March 31, 2022.

20. DISCLOSURE UNDER RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure-4** forming part of this Report.

In terms of the first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said Annexure is available for inspection by the Member.

21. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

22. ANNUAL RETURN

The annual return of the Company for the 2021-22 (MGT-7) has been placed on the website of the Company and can be accessed at <http://anandrathiwealth.in/Investorrelations.php>

23. VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and the SEBI Listing Regulations 2015, the Company has in place the Vigil Mechanism and Whistle Blower Policy which provides mechanism to its directors, employees and other stakeholders to raise concerns about any wrongdoing in the Company and provide for adequate safeguards against victimisation of the persons who avail this mechanism.

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

During the year under review, the Company has not received any complaints under the said mechanism. The whistle blower policy of the Company has been displayed on the Company's website at: <http://anandrathiwealth.in/Investorrelations.php>

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

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

Board's Report (Contd.)

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

25. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During 2021-22, the Company has entered into transactions with related parties as defined under Section 2(76) of the Act, all of which were in the ordinary course of business and are on arm's length basis. Also all those transactions were in accordance with the provisions of the Companies Act, 2013, read with the rules issued thereunder.

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

Particulars of material contract or arrangements or transactions at arm's length basis is disclosed as per the prescribed form AOC-2 and annexed as **Annexure-5** which forms an integral part of this Report.

Further, the detailed disclosure on related party transactions as per IND AS-24 and as per schedule V of the SEBI Listing Regulations containing name of the related party and details of the transactions entered with such related party have also been provided in the financial statements. For further details, members may refer to note to the Standalone Financial Statements.

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

26. INTERNAL FINANCIAL CONTROL

The Company has in place proper and adequate internal financial control systems commensurate with the nature of its business, size and complexity of operations. Internal control systems comprise

policies and procedures that are designed to ensure reliability of financial reporting, compliance with applicable laws and regulations. Necessary policies and procedures are in place inter-alia to ensure that all assets and resources are acquired economically, used efficiently and protected adequately.

27. RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximising the returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. Also, key business risks and their mitigation are considered on a regular basis in the annual/strategic business plans and in periodic management reviews. The Board of Directors have also constituted the Risk Management Committee to oversee the Risk Management process in compliance with the provisions of SEBI Listing Regulations. The Risk Management Committee shall oversee the entire risk management system and measures for risk mitigation.

28. ANNUAL PERFORMANCE EVALUATION

The Board has approved the policy for evaluating the performance of Board, its committees and individual Directors in compliances with the provision of Section 178 read with Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations. In accordance with the evaluation criteria approved, the Nomination and Remuneration Committee have carried out the annual performance evaluation of the Board as a whole, its committees and individual Directors. The Independent Directors carried out the annual performance evaluation of the Chairman, Non-Independent Directors and the Board as a whole.

A structured questionnaire covering various aspects of the Board's functioning was circulated to the Directors. The criteria for evaluation of Independent Directors included attendance at the meetings, interpersonal skills, independent judgement, knowledge, compliance framework, etc. The feedback and results of the questionnaire were collated and consolidated report was shared with the Nomination and Remuneration Committee and the Board for improvements of its effectiveness. The Directors expressed their satisfaction with the evaluation process.

Board's Report (Contd.)

29. BOARD, COMMITTEES, KEY MANAGERIAL PERSONNEL AND MEETINGS:

Board of Directors

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

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

Board Committees

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

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

| Sl. No. | Name of Committee | Member |
|---------|---------------------------|--|
| 5. | Risk Management Committee | Mr. Anand Rathi (Chairman) Mr. Pradeep Gupta Mrs. Sudha Navandar Mr. Mohan Tanksale Mr. Ramesh Chandak Mr. Rajesh Bhutara |

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

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

Key Managerial Personnel (KMP)

As on March 31, 2022, the Company has following Key Managerial Personnel (KMP) as per section 2(51) of the Companies Act, 2013:

| Sl. No. | Name | Designation |
|---------|--------------------|--|
| 1 | Mr. Rakesh Rawal | Executive Director and Chief Executive Officer |
| 2 | Mr. Rajesh Bhutara | Chief Financial Officer |
| 3 | Mr. Ashish Chauhan | Company Secretary |

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

- During the year under review, Mr. Amit Rathi resigned from the position of Managing Director w.e.f. July 16, 2021 and continued to be Non-Executive Director of the Company.
- There was no change in the Board of Directors, CEO, CFO and CS of the Company, during the year under review and till the date of this Report.

Directors retiring by rotation:

In terms of Section 152 of the Companies Act, 2013, Mr. Anand Rathi (DIN:00112853), non-executive director, would retire by rotation at the forthcoming AGM. Being eligible, he has offered himself for the re-appointment. Board recommends his re-appointment for the consideration of the members.

Board's Report (Contd.)

Details regarding Board/Committee Meetings

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

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

| S. No. | Body | Numbers of times met during the year | Dates |
|--------|---------------------------------------|--------------------------------------|---|
| 1 | Board | 8 | June 14, 2021 July 16, 2021 October 11, 2021 October 12, 2021 November 17, 2021 November 26, 2021 December 7, 2021 January 6, 2022 |
| 2 | Audit Committee | 7 | June 14, 2021 July 16, 2021 October 11, 2021 October 12, 2021 November 17, 2021 December 7, 2021 January 6, 2022 |
| 3 | CSR Committee | 1 | June 14, 2021 |
| 4 | Nomination and Remuneration Committee | 2 | June 14, 2021 July 16, 2021 |
| 5 | Stakeholders Relationship Committee | 1 | January 6, 2022 |

Note: The numbers and frequency of aforesaid meetings are in compliance with applicable provisions of Companies Act, 2013.

A detailed disclosure on the Board, its committees, its composition, and terms of reference, number of board and committee meetings held, and attendance of the directors at each meeting is provided in the Report on Corporate Governance, which forms part of this report.

Annual General Meeting/Extra-Ordinary General Meetings:

During the year, the Annual General Meeting of the Company was held on July 15, 2021.

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

All independent directors have submitted requisite declarations confirming that they (i) continue to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations; and (ii) are compliant of the Code of Conduct laid down under Schedule IV of the Act. They have confirmed that they are not debarred from holding the office of director by virtue of any SEBI order or any other such authority and that they have registered their name in the database maintained by Indian institute of Corporate Affairs (IICA). In the opinion of the Board, all the independent directors have integrity, expertise and experience.

31. STATUTORY AUDITOR

Pursuant to Section 139 of the Act, M/s kkc & associates llp (formerly M/s Khimji Kunverji and Co. LLP), Chartered Accountants, Mumbai having Registration No. 105146W/W100621 were appointed as Statutory Auditors of the Company for a period of Five consecutive years at the annual general meeting of the members held on September 29, 2017 on a remuneration to be mutually agreed by the Board of Directors and the Statutory Auditors.

Their term of office as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company. It is proposed to recommend their reappointment at the Annual General Meeting for a period of 5 years commencing from the conclusion of the ensuing Annual General Meeting to be held in the year 2022 till the conclusion of Annual General Meeting to be held in the year 2027 in terms of Section 139 and 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rule, 2014.

Accordingly, the Board of Directors of the Company, on the recommendation of the Audit Committee, recommends their re-appointment for another term of 5 consecutive years. A resolution proposing re-appointment of M/s kkc & associates llp as the Statutory Auditor of the Company and their

Board's Report (Contd.)

remuneration pursuant to Section 139 of the Act, along with the explanatory statement, forms part of this Annual General Meeting Notice. For further details, the members may refer to the notice of the Annual General meeting.

M/s kkc & associates llp, Chartered Accountants, (i) have expressed their willingness to be reappointed for a further term, (ii) have submitted their confirmation to the effect that they continue to satisfy the criteria provided in Section 141 of the Act and (iii) that their appointment is within the limits prescribed under Section 141(3)(g) of the Act.

It may be noted that there is no audit qualification, reservation or adverse remark for the year under review.

32. STATUTORY AUDITORS' REPORT

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

33. SECRETARIAL AUDITOR

(a) Anand Rathi Wealth Limited

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made thereunder, M/s. Dharmesh Bohra and Associates, Company Secretaries were appointed as Secretarial Auditor of the Company to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **Annexure-6** which forms an integral part of this Report. It may be noted that, there is no secretarial audit qualification for the year under review.

(b) AR Digital Wealth Private Limited

In terms of the criteria mentioned under regulation 16 of the SEBI Listing Regulations, AR Digital Wealth Private Limited falls under definition of material subsidiary of the Company. Accordingly, as required under regulation 24A of the SEBI Listing Regulations, M/s. Shweta Mundra and Associates were appointed as Secretarial

Auditors of AR Digital Wealth Private Limited to undertake its Secretarial Audit. The Secretarial Audit Report is annexed as **Annexure-7** which forms an integral part of this Report. It may be noted that, there is no secretarial audit qualification for the year under review.

34. MAINTENANCE OF COST RECORDS

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

35. COMPLIANCE WITH SECRETARIAL STANDARDS

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

36. PUBLIC DEPOSITS

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

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

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

38. MATERIAL ORDERS OF JUDICIAL BODIES/ REGULATORS

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

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

The Board, on the recommendation of the Nomination and Remuneration Committee, has formulated a

Board's Report (Contd.)

Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of directors.

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

The policy is enclosed as **Annexure 8** to this report.

40. ACKNOWLEDGEMENT

Your Directors wish to place on record their deep appreciation for the contribution made by the employees at all levels without whose hard work and support, your Company's achievements would not

have been possible. Your Directors also wish to place on record their sincere appreciation for the continued support, cooperation, guidance and encouragement received from the government, regulatory and statutory bodies including Company's bankers.

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

For and on behalf of the Board
Anand Rathi Wealth Limited

Sd/-
Anand Rathi
Chairman
(DIN: 00112853)

Place : Mumbai
Date : April 12, 2022

Annexure 1

Form No. AOC-1

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

Statement containing salient features of the financial statement of subsidiaries

(₹ in Lakhs)

| Sr. No | Particulars | AR DIGITALWEALTH PRIVATE LIMITED | FREEDOM WEALTH SOLUTIONS PRIVATE LIMITED | FFREEDOM INTERMEDIARY INFRASTRUCTURE PRIVATE LIMITED |
|--------|---|----------------------------------|--|--|
| 1 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | March 31, 2022 | March 31, 2022 | March 31, 2022 |
| 2 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A. | N.A. | N.A. |
| 3 | Share Capital | 537.30 | 249.64 | 82.93 |
| 4 | Reserves and Surplus | 4125.66 | 249.66 | 1571.77 |
| 5 | Total Assets | 4852.40 | 501.49 | 1946.44 |
| 6 | Total Liabilities * | 189.44 | 2.19 | 291.74 |
| 7 | Investments | - | - | - |
| 8 | Turnover | 1123.26 | 40.60 | 540.54 |
| 9 | Profit before taxation | 23.17 | 32.12 | 116.41 |
| 10 | Taxation | (1.55) | 8.33 | 29.91 |
| 11 | Profit after taxation | 24.72 | 23.79 | 86.51 |
| 12 | Proposed Dividend | Nil | Nil | Nil |
| 13 | % of shareholding | 75.51% | 95.00% | 100.00% |

* Excluding Share Capital and Reserves and Surplus

For and on behalf of the Board
Anand Rathi Wealth Limited

Sd/-
Anand Rathi
Chairman
(DIN: 00112853)

Place : Mumbai

Date : April 12, 2022



Annexure – 2

Annual Report on Corporate Social Responsibility (CSR) Activities

| SL No. | Particulars | Updates | | | | | | | | | | | | | | | | | | | | |
|---------|--|---|--|--|--|--|---------|-----------------|----------|---|---------|---|---------------------|-----------------|---|---|---|-------------------|-----------------|---|---|--|
| 1. | A brief outline of the Company's CSR policy | <p>As a responsible organisation, Anand Rathi Wealth Limited has always strived to make positive change in the society.</p> <p>In order to further this objectives, the Company has adopted a Policy on Corporate Social Responsibility (CSR Policy).</p> <p>The Policy inter alia covers numbers of social driven areas in which the Company wishes to direct its resources as part its ongoing CSR program.</p> <p>The scope of the Policy inter alia includes, promoting gender equality, empowerment of women, promoting health care including preventive health care, education, environmental sustainability, rural developments, eradicating hunger, poverty and malnutrition, promoting rural sports, making contribution to various government sponsored funds, as notified from time to time including the registered organisation, established for above purpose etc.</p> <p>The Policy, among other things, provides for identification of CSR projects/programs by CSR Committee and the process for its implementations and monitoring.</p> <p>For detailed policy, please refer to http://anandrathiwealth.in/Investorrelations.php</p> | | | | | | | | | | | | | | | | | | | | |
| 2. | The Composition of the CSR Committee | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Name of Director</th> <th>Designation/Nature of Directorship</th> <th>Number of meetings of CSR Committee held during the year</th> <th>Number of meetings of CSR Committee attended during the year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mr. Anand Rathi</td> <td>Chairman</td> <td>1</td> <td>1</td> </tr> <tr> <td>2</td> <td>Mrs. Sudha Navandar</td> <td>Member/Director</td> <td>1</td> <td>1</td> </tr> <tr> <td>3</td> <td>Mr. Pradeep Gupta</td> <td>Member/Director</td> <td>1</td> <td>1</td> </tr> </tbody> </table> | Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year | 1 | Mr. Anand Rathi | Chairman | 1 | 1 | 2 | Mrs. Sudha Navandar | Member/Director | 1 | 1 | 3 | Mr. Pradeep Gupta | Member/Director | 1 | 1 | |
| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year | | | | | | | | | | | | | | | | | | |
| 1 | Mr. Anand Rathi | Chairman | 1 | 1 | | | | | | | | | | | | | | | | | | |
| 2 | Mrs. Sudha Navandar | Member/Director | 1 | 1 | | | | | | | | | | | | | | | | | | |
| 3 | Mr. Pradeep Gupta | Member/Director | 1 | 1 | | | | | | | | | | | | | | | | | | |
| 3 | Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of The Company | http://anandrathiwealth.in/Investorrelations.php | | | | | | | | | | | | | | | | | | | | |
| 4 | Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable | Not applicable | | | | | | | | | | | | | | | | | | | | |
| 5 | Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Financial Year</th> <th>Amount available for set-off from preceding financial years (in ₹)</th> <th>Amount required to be setoff for the financial year, if any (in ₹)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2020-21</td> <td>₹ 74,288</td> <td>-</td> </tr> <tr> <td>2</td> <td>2021-22</td> <td>-</td> <td>₹ 9,915</td> </tr> </tbody> </table> | Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be setoff for the financial year, if any (in ₹) | 1 | 2020-21 | ₹ 74,288 | - | 2 | 2021-22 | - | ₹ 9,915 | | | | | | | | | |
| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be setoff for the financial year, if any (in ₹) | | | | | | | | | | | | | | | | | | | |
| 1 | 2020-21 | ₹ 74,288 | - | | | | | | | | | | | | | | | | | | | |
| 2 | 2021-22 | - | ₹ 9,915 | | | | | | | | | | | | | | | | | | | |
| 6 | Average net profit of the Company for last three financial years as per section 135(5) | ₹ 959,087,022 | | | | | | | | | | | | | | | | | | | | |

Annexure – 2 (Contd.)

| SL No. | Particulars | Updates | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|--|--|--------------------------|--------------------------|--------------------------|--|--|--|---|--|--|---|---|---|---|--|----|-----------|---|--------------|-----|---|-------------|---|----------------------------|--|----|-----------|--|-------------|-----|---|-------------|---|--|---|----|-----------|--|-------------|-----|---|--------------|--|--|--|--|--|--|--|--|--|--|--|--|
| 7 | (a) Two percent of average net profit of The Company as per section 135(5) | ₹ 19,181,740 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (c) Amount required to be set off for the financial year, if any | ₹ 9,915 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (d) Total CSR obligation for the financial year (7a+7b-7c). | ₹ 19,171,825 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | (a) Details of CSR spent during the financial year: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th rowspan="3">Total Amount Spent for the Financial Year. (In ₹)</th> <th colspan="5">Amount Unspent (in ₹)</th> </tr> <tr> <th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6).</th> <th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</th> </tr> <tr> <th>Amount.</th> <th>Date of Transfer</th> <th>Name of the Fund</th> <th>Amount.</th> <th>Date of Transfer</th> </tr> </thead> <tbody> <tr> <td>₹ 19,171,825</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> | | Total Amount Spent for the Financial Year. (In ₹) | Amount Unspent (in ₹) | | | | | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | | Amount. | Date of Transfer | Name of the Fund | Amount. | Date of Transfer | ₹ 19,171,825 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Amount Spent for the Financial Year. (In ₹) | Amount Unspent (in ₹) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Amount. | Date of Transfer | Name of the Fund | Amount. | Date of Transfer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ₹ 19,171,825 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (b) Details of CSR amount spent against ongoing projects for the financial year: NIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th rowspan="2">Sr. No</th> <th rowspan="2">Name of the Project</th> <th rowspan="2">Item from the list of activities in Schedule VII to the Act.</th> <th rowspan="2">Local area (Yes/No).</th> <th colspan="2">Location of the project</th> <th rowspan="2">Project duration</th> <th rowspan="2">Amount allocated for the project (in ₹)</th> <th rowspan="2">Amount spent in the current financial Year (in ₹)</th> <th rowspan="2">Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).</th> <th rowspan="2">Mode of Implementation - Direct (Yes/No).</th> <th colspan="2">Mode of Implementation - Through Implementing Agency</th> </tr> <tr> <th>State</th> <th>District</th> <th>Name</th> <th>CSR Registration number</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> </tr> <tr> <td colspan="13" style="text-align: center;">Nil</td> </tr> <tr> <td colspan="13">Total</td> </tr> </tbody> </table> | | Sr. No | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project | | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | | State | District | Name | CSR Registration number | 1 | | | | | | | | | | | | | Nil | | | | | | | | | | | | | Total | | | | | | | | | | | | |
| Sr. No | Name of the Project | Item from the list of activities in Schedule VII to the Act. | | | | | Local area (Yes/No). | Location of the project | | | | | | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | State | District | Name | CSR Registration number | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nil | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (c) Details of CSR amount spent against other than ongoing projects for the financial year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th rowspan="2">Sl. NO</th> <th rowspan="2">Name of the Project</th> <th rowspan="2">Item from the list of activities in schedule VII to the Act.</th> <th rowspan="2">Local area (Yes/No)</th> <th colspan="2">Location of the project.</th> <th rowspan="2">Amount spent for the project (in ₹)</th> <th rowspan="2">Mode of implementation - Direct (Yes/No)</th> <th colspan="2">Mode of implementation - Through implementing agency</th> </tr> <tr> <th>State</th> <th>District</th> <th>Name</th> <th>CSR registration number.</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Maharshi Vedvyas Pratishtan</td> <td>Item no. (ii) - Promoting education, including special education</td> <td>No</td> <td colspan="2">PAN India</td> <td>₹ 10,000,000</td> <td>Yes</td> <td>-</td> <td>CSR00002814</td> </tr> <tr> <td>2</td> <td>Parivaar Education Society</td> <td>Item no. (ii) - Promoting education, including special education</td> <td>No</td> <td colspan="2">PAN India</td> <td>₹ 2,500,000</td> <td>Yes</td> <td>-</td> <td>CSR00000052</td> </tr> <tr> <td>3</td> <td>COVID-19 relief – support towards procurement of medicines and other support</td> <td>Item no. (i) - Promoting health care including preventive health care</td> <td>No</td> <td colspan="2">PAN India</td> <td>₹ 4,921,825</td> <td>Yes</td> <td>-</td> <td>-</td> </tr> </tbody> </table> | | Sl. NO | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No) | Location of the project. | | Amount spent for the project (in ₹) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | | State | District | Name | CSR registration number. | 1 | Maharshi Vedvyas Pratishtan | Item no. (ii) - Promoting education, including special education | No | PAN India | | ₹ 10,000,000 | Yes | - | CSR00002814 | 2 | Parivaar Education Society | Item no. (ii) - Promoting education, including special education | No | PAN India | | ₹ 2,500,000 | Yes | - | CSR00000052 | 3 | COVID-19 relief – support towards procurement of medicines and other support | Item no. (i) - Promoting health care including preventive health care | No | PAN India | | ₹ 4,921,825 | Yes | - | - | | | | | | | | | | | | |
| Sl. NO | Name of the Project | Item from the list of activities in schedule VII to the Act. | | | | | Local area (Yes/No) | Location of the project. | | | Amount spent for the project (in ₹) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | State | District | Name | CSR registration number. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Maharshi Vedvyas Pratishtan | Item no. (ii) - Promoting education, including special education | No | PAN India | | ₹ 10,000,000 | Yes | - | CSR00002814 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Parivaar Education Society | Item no. (ii) - Promoting education, including special education | No | PAN India | | ₹ 2,500,000 | Yes | - | CSR00000052 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | COVID-19 relief – support towards procurement of medicines and other support | Item no. (i) - Promoting health care including preventive health care | No | PAN India | | ₹ 4,921,825 | Yes | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Annexure – 2 (Contd.)

| SL No. | Particulars | | | | Updates | | | | | |
|---|---|--|--|--|---|---|--|---|--|------|
| | SI. NO | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No) | Location of the project. | | Amount spent for the project (in ₹) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State | District | | | | | Name |
| 4 | Global Vikas Trust | Item no. (x)-Rural Development projects | No | PAN India | | ₹ 1,000,000 | Yes | - | CSR00004400 | |
| 5 | Sant Ishwar Foundation | Item no. (iii)- Homes for womens and orphans | No | PAN India | | ₹ 500,000 | Yes | - | CSR00006172 | |
| 6 | Shri Godham Mahateerth Pathmeda Lok PunyarthNyas | Item no. (iv) - Animal Welfare | No | PAN India | | ₹ 250,000 | Yes | - | CSR00008806 | |
| (d) Amount spent in Administrative Overheads | | | | | NIL | | | | | |
| (e) Amount spent on Impact Assessment, if applicable | | | | | NIL | | | | | |
| (f) Total amount spent for the Financial Year (8b+8c+8d+8e) | | | | | ₹ 19,171,825 | | | | | |
| (g) Excess amount for set off, if any | | | | | | | | | | |
| Sr. No | Particulars | | | | | | | | Amount | |
| (i) | Two percent of average net profit of The Company as per section 135(5) | | | | | | | | ₹ 19,181,740 | |
| (ii) | Total amount spent for the Financial Year | | | | | | | | ₹ 19,171,825 | |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | | | | | | | | Nil | |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | | | | | | | | Nil | |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | | | | | | | | Nil | |
| 9 | (a) Details of Unspent CSR amount for the preceding three financial years : | | | | | | | | | |
| SI. NO | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years (In ₹) | | | |
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer. | | | | |
| 1. | NIL | | | | | | | | | |
| (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): | | | | | | | | | | |
| SI. NO | Project ID | Name of the Project | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹). | Cumulative amount spent at the end of reporting Financial Year. (In ₹) | Status of the project - Completed/ Ongoing. | | |
| NIL | | | | | | | | | | |

Annexure – 2 (Contd.)

| SL No. | Particulars | Updates |
|--------|--|----------------|
| 10 | <p>In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year</p> <p>(a) Date of creation or acquisition of the capital asset(s).</p> <p>(b) Amount of CSR spent for creation or acquisition of capital asset.</p> <p>(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.</p> <p>(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).</p> | NIL |
| 11 | Specify the reason(s), if The Company has failed to spend two per cent of the average net profit as per section 135(5). | NOT APPLICABLE |

For and on behalf of the Board of Directors
Anand Rathi Wealth Limited

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

Sd/-
Rakesh Rawal
Executive Director and CEO
DIN: 02839168

Place: Mumbai
Date: April 12, 2022

Annexure – 3

Certificate on Compliance with the Corporate Governance Requirements under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To

The Members of
Anand Rathi Wealth Limited

We have examined all the relevant records of Anand Rathi Wealth Limited (formerly known as “Anand Rathi Wealth Services Limited” and hereinafter called as “the Company”) for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR’), for the financial year ended March 31, 2022. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate

Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified for listed company.

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

For and on behalf of
Dharmesh Bohra and Associates
Company Secretaries

Shruti Somani
Partner

C.P. No. 22487

UDIN: A049773D000063479

Place: Mumbai

Date: April 11, 2022

Annexure – 4

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for 2021-22 and the percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary during 2021-22:

| Name | Designation | Ratio to median remuneration | % increase in remuneration in 2021-22 |
|-------------------------|--|------------------------------|---------------------------------------|
| Mr. Anand Rathi | Chairman and Non-Executive Director | NA (a) | NA (a) |
| Mr. Pradeep Gupta | Non-Executive Director | NA (a) | NA(a) |
| Mr. Amit Rathi | Non-Executive Director | NA (b) | NA(b) |
| Mr. Rakesh Rawal | Executive Director and Chief Executive Officer | 50.61 | 13% |
| Mr. Mohan Tanksale | Independent Director | NA (c) | NA (c) |
| Mr. Ramesh Chandak | Independent Director | NA (c) | NA (c) |
| Mr. Kishan Gopal Somani | Independent Director | NA (c) | NA (c) |
| Mrs. Sudha Navandar | Independent Director | NA (c) | NA (c) |
| Mr. Rajesh Bhutara | Chief Financial Officer | 8.47 | 15% |
| Mr. Ashish Chauhan | Company Secretary | 1.73 | 10% |

Notes:

- (a) No remuneration is paid to Non-Executive Directors.
- (b) Since there was change in designation of Mr. Amit Rathi from Managing Director to Non-Executive Director during 2021-22, it is not feasible to calculate the ratio of remuneration and percentage increase in remuneration.
- (c) Remuneration payable to independent directors is based on the sitting fees for number of meetings of the Board and/or Committees attended by them during the year. There has been no change in the payment criteria for remuneration to independent directors during 2021-22.
- ii) The percentage increase in the median remuneration of employees in the financial year: 15%
- iii) Number of permanent employees on the rolls of the Company as on March 31, 2022: 717
- iv) For 2021-22, the average annual increase in the remuneration of employees (excluding the remuneration of managerial personnel) was 15% and for the managerial remuneration there was an increase of 13%.
- v) It is affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board
Anand Rathi Wealth Limited

Sd/-
Anand Rathi
Chairman
(DIN: 00112853)

Place: Mumbai
Date: April 12, 2022

Annexure 5

Form No. AOC 2

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

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

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

(₹ in Lakhs)

| Maximum Value of Contract/Transaction (per annum) w.e.f. April 1, 2021 | | | | | | | |
|--|---------------|------------------------|------------------------|-----------|---------------|---------------|---------------|
| Transaction defined u/s 188(1) of Companies Act, 2013 | | | | | | | |
| Availing Or rendering Of any services- | | | | | | | |
| | Interest Paid | Support Services Taken | Support Services Given | Rent Paid | Brand Charges | Rent Received | DEMAT Charges |
| Anand Rathi Financial Services Limited | 25.63 | 493.38 | - | 14.40 | 200.13 | - | - |
| Anand Rathi Global Finance Limited | - | 38.68 | 19.41 | 2.40 | - | - | - |
| Anand Rathi Insurance Brokers Limited | - | - | - | - | - | 0.45 | - |
| Anand Rathi Shares and Stock Brokers Limited | - | 194.38 | 16.89 | - | - | - | 0.05 |
| AR Digital Wealth Private Limited | - | 36.77 | - | - | - | - | - |
| Anand Rathi Advisors Limited | 11.89 | 8.19 | - | - | - | - | - |

For and on behalf of the Board
Anand Rathi Wealth Limited

Sd/-

Anand Rathi
Chairman
(DIN: 00112853)

Place: Mumbai
Date: April 12, 2022

Annexure-6

Secretarial Audit Report

For the Financial Year ended March 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Anand Rathi Wealth Limited
Express Zone, A Wing,
10th Floor, Western Express Highway,
Goregaon (E), Mumbai – 400063

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

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure-A for the financial year ended March 31, 2022, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investments;
 - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992(‘SEBI Act’): –
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as per the list given in Annexure-B.

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

- (i) Secretarial Standards-1 and 2 issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (ii) the Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. There was no change in the composition of the Board of Directors during the year under review, except change in designation of a director for which due compliance was made.

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

Annexure - 6 (Contd.)

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

Further, we wish to clarify as under:

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
 - We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
 - We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
 - The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
 - The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Dharmesh Bohra and Associates
Company Secretaries

Sd/-
Shruti Somani
Partner
C.P. No. 22487
UDIN: A049773D000061059

Place: Mumbai
Date: April 10, 2022

Annexure A

List of documents verified

1. Memorandum and Articles of Association of the Company;
2. Annual Report for the financial year ended March 31, 2021;
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee, held during the said audit period along with Attendance Register;
4. Minutes of General Meetings held during the financial year under report;
5. Statutory Registers, which are required to be maintained under the Companies Act, 2013.
6. Agenda papers submitted to all the Directors/members for the Board meeting and the Committee Meetings;
7. Declarations/Disclosures received from the Directors/Secretary of the Company pursuant to the provisions of 149(7), 164 and 184 of the Companies Act, 2013;
8. Intimations received from Directors and Designated Employees under the Internal Code for Prevention of Insider Trading;
9. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
10. Various Policies made under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
11. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during year under report.

Annexure B

List of laws applicable to the Company

(under the Major Group and Head)

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

Annexure-7

Secretarial Audit Report

For the financial year ended March 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

AR DIGITAL WEALTH PRIVATE LIMITED

Mumbai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AR DIGITAL WEALTH PRIVATE LIMITED** (CIN: U65923MH1996PTC097270) and having its registered office at 11th Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai City, MH-400013, (hereinafter called 'the Company').

In terms of the criteria mentioned under Regulation 16 of the SEBI LODR (Listing Obligations and Disclosure Requirements) the Company is a material subsidiary Company of M/s. Anand Rathi Wealth Limited, which is a listed Entity. As per Regulation 24A of the SEBI Listing Regulation applicable to the Holding entity, its material subsidiary Company has to undergo the Secretarial Audit and the Secretarial Audit Report has to be annexed with the Annual Report for the reporting period.

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based upon our verification of Company's books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its office agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under: NA
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under.

- (iv) Foreign Exchange Management Act, 1999 and the rules and Regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings: NA
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: NA
 - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015: NA
 - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (effective up to 9 November 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (effective from 10 November 2018): NA
 - D. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period): NA
 - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period): NA
 - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. NA
 - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the audit period): NA
 - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- (Not applicable to the Company during the audit period): NA
 - I. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments: NA

Annexure - 7 (Contd.)

(vi) The list of the laws that are specifically applicable to the Company based on their sector/industries are attached herewith as Annexure B .

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India. We have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Acts, Rules, Laws and Regulations to the Company.

1. **We report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as per the list given in **Annexure-B**.

2. **We further report that:**

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. There is no applicability of Woman Director and Independent Directors in the Company.
- II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- III. None of the members have communicated dissenting views, in the matters/agenda proposed from time to time for consideration of the Board, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

3. **We further report that**, the compliance by the Company of applicable financial laws such as Direct and Indirect Tax Laws, and Maintenance of Financial Records and Books of Accounts has not been reviewed in this Audit since the same has been subject to review by the Statutory Financial Audit and other designated professionals. Further, we have examined on test-check basis, the compliance by the Company with other industry specific laws (as informed in the **Annexure-2** and certified by the management of the Company which are specifically applicable to the Company based on its industry/sector), since the compliance and monitoring of the said laws are to be ensured by the management of the Company;

4. **We further report that** there is none of the qualified opinion in the report of Financial Auditors:

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

6. **We further report that** during the audit period there were no major corporate events having a major bearing on the Company's affairs.

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

For **SHWETA MUNDRA and ASSOCIATES**
Practicing Company Secretaries

CS Shweta Mundra
ACS- 38115, COP – 15387
UDIN: A038115D000051458

Place: Mumbai
Date: April 8, 2022

Annexure- A

To,

**The Members,
AR DIGITAL WEALTH PRIVATE LIMITED
Mumbai**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, Regulation, standards are the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SHWETA MUNDRA and ASSOCIATES**
Practicing Company Secretaries

CS Shweta Mundra
ACS- 38115, COP – 15387

Place: Mumbai
Date: April 8, 2022

Annexure- B

A. List of documents verified

1. Memorandum and Articles of Association of the Company;
2. Annual Report for the financial year ended March 31, 2021;
3. Minutes of the meetings of the Board of Directors held during the said audit period
4. Minutes of General Meetings held during the financial year under report;
5. Statutory Registers viz.
 - Register of Members
 - Register of Directors and Key Managerial Personnel and their Shareholding
 - Register of Contracts with Related Party and Contracts and Bodies etc. in which Directors' are interested
 - Register of loans, guarantees and security and acquisition made by the Company
6. Agenda papers submitted to all the Directors/members for the Board meeting
7. Declarations/Disclosures received from the Directors/Secretary of the Company pursuant to the provisions of 184, 164 of the Companies Act, 2013;
8. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

List of applicable laws to the Company

Under the Major Group and Head

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

Annexure – 8

Nomination and Remuneration Policy

The Company has formulated and adopted the following Nomination and Remuneration Policy.

1. PREAMBLE

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

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

2. OBJECTIVE

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Key Objectives of the Committee are:

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

3. DEFINITION

- a. **Act:** The Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. **Board:** Board of Directors of the Company.
- c. **Directors:** Directors of the Company.
- d. **Independent Director:** Independent Director of the Company appointed in pursuance of the Companies Act and Listing Regulations.
- e. **Key Managerial Personnel:**
 - i. Managing Director;
 - ii. Whole-time Director;
 - iii. Chief Executive Officer;
 - iv. Chief Financial Officer;

- v. Company Secretary; and
- vii. Such other officer as may be prescribed from time to time.

f. **Senior Management:** Senior Management means officers/personnel of the Company who are members of its core management team excluding the Board of Directors and shall comprise of all members of management one level below the chief executive officer/managing director/whole time director/manager and shall specifically include company secretary and chief financial officer.

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

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

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

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

4. ROLE OF COMMITTEE

The role of the Committee are following:

- a. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b. To recommend to the Board, the appointment and removal of Senior Management.
- c. To carry out evaluation of Director's performance and recommend to the Board appointment/removal based on his/her performance.
- d. To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management; (ii) Executive Directors' remuneration and incentive; and (iii) all remuneration, in whatever form, payable to senior management.
- e. To make recommendations to the Board concerning any matters relating to the

Annexure - 8 (Contd.)

continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

- f. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g. To devise a policy on Board diversity;
- h. To consider and approve the ESOP policies and address issues relating to the same including for ESOP 2017 and ESOP 2018

5. MEMBERSHIP

- a. The Committee consists of a minimum 3 Directors, with all directors being non-executive directors and majority of them being independent.
- b. Either two (2) members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance, constitutes a quorum for the Committee meeting.
- c. Membership of the Committee is disclosed in the Annual Report.
- d. Term of the Committee is continued unless terminated by the Board of Directors.

6. TERMS/TENURE

a. Managing Director/Whole-time Director:

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

b. Independent Director:

An Independent Director holds the office for a term up to five consecutive years on the Board of the Company and is eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director holds office for more than two consecutive terms, but such Independent Director is eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director is not,

during the said period of three years, appointed in or associated with the Company in any other capacity, either directly or indirectly.

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

7. CHAIRPERSON

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

8. FREQUENCY OF MEETING

The meeting of the Committee shall be held at least once in a year.

9. COMMITTEE MEMBER INTEREST

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

10. SECRETARY

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

11. VOTING

Matters arising for determination at Committee meetings are decided by a majority of votes of members present and voting and any such decision

Annexure - 8 (Contd.)

shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairman of the meeting has a casting vote.

12. NOMINATION DUTIES

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

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

13. REMUNERATION STRUCTURE AND COMPONENTS**Managing Director and whole time Director**

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

Non- executive Directors

Non-executive Directors are paid sitting fees for the meetings of the Board and Committees thereof, subject to adequacy of profits and with approval of shareholders, the Company may pay commission to

non- executive Directors, provided it is approved by Nomination and Remuneration Committee.

Other Key Management Personnel/Senior Management and Employees

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

14. REMUNERATION DUTIES

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

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

15. MINUTES OF THE COMMITTEE MEETINGS

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

16. AMENDMENT

Any change in the Policy shall be approved by the Board of Directors/Nomination and Remuneration Committee. The Board/Nomination and Remuneration Committee shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision in this respect shall be final and binding. Any subsequent amendment/modification in the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

Report on Corporate Governance

COMPANY'S PHILOSOPHY

Anand Rathi Wealth Limited ('the Company') has always been committed to developing sustainable value for all its stakeholders including customers, employees, shareholders, suppliers, regulatory authorities and the communities that it operates in. In this pursuit, the Company believes in managing and conducting business by adopting strong value systems.

This involves institutionalising the highest standards of corporate governance across business activities, which is based on the principles of accountability, transparency, responsibility and fairness in all aspects of its operations. This is the corner stone of Anand Rathi Wealth Limited's business philosophy.

The Company has an active and independent Board of Directors that provide supervisory and strategic advice and direction. The entire governance system is supported by well-structured systems and procedures that ensure well informed decision making across different levels of management.

This Chapter reports the Company's compliance with the Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations) as given below:

I. BOARD OF DIRECTORS

a) Composition of the Board

The Board of Directors has an optimum combination of Executive and Non-Executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations.

The Chairman of the Board of Directors is a Non- Executive Director.

Composition of the Board as on March 31, 2022

| Category | Number of Directors |
|---|---------------------|
| Chairman (Promoter and Non-Executive Director) | 1 |
| Executive Director and Chief Executive Officer | 1 |
| Independent Non-Executive Directors | 4 |
| Non-Independent Non-Executive Directors (including 1 Promoter Director) | 2 |

b) Brief profiles of our Directors

- Mr Anand Rathi** is the Chairman and Non-Executive Director of our Company. He has been associated with our Company since March 18, 2005. He is a gold medalist Chartered Accountant of November 1966 batch from the ICAI. Since completing his Chartered Accountancy over 50 years back, and prior to joining our Company, he was with Aditya Birla Nuvo Limited, with BSE (where he also held the position of President) and was one of the first directors of Central Depository Services Limited. He has been a regular speaker on various platforms of the ICAI and was a central council member of the ICAI. He is associated with philanthropic organisations including those involved in education.
- Mr Pradeep Gupta** is a Non-Executive Director of our Company. He has been with our Company since March 18, 2005. He holds a Bachelor of Commerce degree from University of Rajasthan and he started his professional journey as a stock broker at Jaipur in 1992, besides being associated with textiles business at Daman Ganga Textiles Private Limited. He has promoted Anand Rathi Share and Stock Brokers Limited (formerly known as Navratan Capital and Securities Private Limited) and thereafter he joined Anand Rathi Financial Services Limited (formerly known as Anand Rathi Securities Private Limited) with Mr Anand Rathi in the year 1998. He has over 30 years of experience in capital markets. He has been selected as a member of Who's Who Historical Society, International Who's Who of Professionals in 2009.
- Mr Amit Rathi** is a Non-Executive Director of our Company. He has been associated with our Company since March 18, 2005. He is a qualified Chartered Accountant from the ICAI and has a Masters' degree in Business Administration from New York University's Leonard N Stern School of Business. He is associated with the private wealth management and investment banking businesses of the Anand Rathi Group.

Report on Corporate Governance (Contd.)

- **Mr Rakesh Rawal** is an Executive Director and the Chief Executive Officer of our Company. He has been associated with the wealth management business of Anand Rathi Group since April 2, 2007. He holds a Bachelor of Technology degree in Mechanical Engineering from the Indian Institute of Technology, Kanpur and a Masters' in Management Studies degree from Jamnalal Bajaj Institute of Management Studies. Prior to joining our Company, he worked with Deutsche Bank and Hindustan Lever Limited. He currently focusses on the business development and client acquisition for the private wealth management business of our Company.
- **Mr Mohan Tanksale** is an Independent Director of our Company. He has been associated with our Company since February 6, 2018. He has a Bachelor's degree in Science from Bhopal University and Master's degree in Arts (English) from Awadhesh Pratap Singh University and Diploma in Russian language from Bhopal University. He is a Fellow Member of Institute of Cost Accountants of India and a Certified Associate of the Indian Institute of Bankers. He has more than 42 years of experience having served three major public sector banks being, Union Bank of India, Punjab National Bank as Executive Director and Central Bank of India in the capacity of chairman and managing director. He has also served on the board of various subsidiaries of Punjab National Bank and Central Bank of India and Life Insurance Corporation of India. He has also served as chief executive of Indian Banks Association and has been on the board of International Banking Federation. He has also been engaged as a Consultant to SWIFT India Domestic Services Private Limited. He was awarded as 'Person of the year' by SKOCH Foundation in year 2012.
- **Mr Ramesh Chandak** is an Independent Director of our Company. He is the CEO of RDC Business Advisory, which provides individualised leadership coaching, strategy, succession planning and management services. Prior to starting his Advisory practice, he was the MD and CEO of KEC International Limited. He has had a successful career spanning over 40 years across Engineering, infrastructure, edible oils and textiles industries having global corporate experience working in India, Malaysia and USA. He currently serves on the Boards of various listed companies and not for profit organisations. He is a recipient of CA Business Leader Award in 2008 by the Institute of Chartered Accountants of India. He is a former President of Indian Electrical and Electronics Manufacturers Association (IEEMA).
- **Mr Kishan Gopal Somani** is an Independent Director of our Company. He has been associated with our Company since March 15, 2018. He is a qualified Chartered Accountant from the ICAI. He is also an associate member of the Institute of Company Secretaries of India. Additionally, he is also a fellow member of the Institution of Valuers and has qualified the Limited Insolvency Exams of IBBI under IBC, 2016. He has around 50 years of experience. Prior to joining our Company, he was a president of ICAI. He had previously served as a director on the board of Delhi Stock Exchange Association Limited. He is partner at M/s K.G. Somani and Co., Chartered Accountants, Delhi.
- **Mrs Sudha Navandar** is an Independent Director of our Company. She has been associated with our Company since March 15, 2018. She is a qualified Chartered Accountant from the ICAI and a certified Public Accountant, USA. She is also an insolvency professional registered with the Insolvency and Bankruptcy Board of India. She is currently a partner in M/s. Pravin R. Navandar and Co., Chartered Accountants, with main focuses on corporate audits (internal and statutory), bank audits, company law cases, income leakage and corporate leakage and corporate advisory services. She is also a designated partner at Saksham Insolvency Resolution LLP.

Report on Corporate Governance (Contd.)

c) Number of Board Meetings

The Board of Directors of your Company met 8 times during 2021-22. The meetings were held on June 14, 2021, July 16, 2021, October 11, 2021, October 12, 2021, November 17, 2021, November 26, 2021, December 7, 2021 and January 6, 2022. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

d) Directors' attendance record and details of Directorships/Committee Positions held

As mandated by SEBI Listing Regulations, none of the Directors on the Board of the Company

is a member of more than ten (10) specified committees or Chairman of more than 5 (five) specified committees across all the Indian Public Limited companies in which they are Directors. None of the Directors serve as an Independent Director in more than seven listed companies.

Table 1 below gives the names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships, Committee memberships and Chairmanships as on March 31, 2022. It excludes Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies.

Table 1: Details of the Directors as on March 31, 2022:

| Name of the Director | Category | Number of Board meetings held during 2021-22 | Number of Board meetings attended during 2021-22 | Whether attended last AGM | Number of Directorships in other Indian Public companies | Committee Positions in other Indian Public companies# | |
|------------------------|--|--|--|---------------------------|--|---|--------|
| | | | | | | Chairman | Member |
| Mr Anand Rathi | Promoter, Chairman and Non-Executive Director | 8 | 8 | Yes | 3 | 0 | 2 |
| Mr Pradeep Kumar Gupta | Promoter and Non-Executive Director | 8 | 8 | No | 5 | 1 | 2 |
| Mr Amit Rathi* | Non-Executive Director* | 8 | 8 | Yes | 0 | 0 | 0 |
| Mr Rakesh Rawal | Executive Director and Chief Executive Officer | 8 | 5 | No | 1 | 0 | 0 |
| Mr Mohan Tanksale | Independent Director | 8 | 7 | No | 7 | 3 | 6 |
| Mr Ramesh Chandak | Independent Director | 8 | 8 | No | 5 | 2 | 7 |
| Mr Kishan Gopal Somani | Independent Director | 8 | 3 | No | 2 | 0 | 1 |
| Mrs Sudha Navandar | Independent Women Director | 8 | 8 | No | 4 | 1 | 4 |

* Mr Amit Rathi ceased to be managing director of the Company with effect from July 16, 2021 and continues to be the non-executive director of the Company

only Audit Committee and Stakeholders Relationship Committee are considered for the purpose.

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Additional Information related to directorship in other listed entities as on March 31, 2022 as required under SEBI Listing Regulations.

| Name of the Director | Name of other Listed entities | Category of Directorship |
|------------------------|---------------------------------------|--------------------------|
| Mr Mohan Tanksale | 1) Raja Bahadur International Limited | Independent Director |
| | 2) Ladderup Finance Limited | Independent Director |
| | 3) India Pesticides Limited | Independent Director |
| Mr Ramesh Chandak | 1) Parag Milk Foods Limited | Independent Director |
| | 2) Prince Pipes and Fittings Limited | Independent Director |
| | 3) Ram Ratna Wires Limited | Independent Director |
| | 4) KEC International Limited | Independent Director |
| | 5) Summit Securities Limited | Independent Director |
| Mr Kishan Gopal Somani | 1) KEI Industries Limited | Independent Director |
| Mrs Sudha Navandar | 1) Tribhovandas Bhimji Zaveri Limited | Independent Director |
| | 2) Kolte-Patil Developers Limited | Independent Director |
| | 3) Route Mobile Limited | Independent Director |

e) Information to the Board

The Company provides information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board and the Board Committees to the extent applicable.

A detailed agenda folder is sent to each Director seven days in advance of the Board Meetings. All the agenda items are appended with necessary supporting information and documents (except for price sensitive information, which are circulated separately before the meeting) to enable the Board to take informed decisions.

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

f) Disclosure of relationships between directors inter-se:

Except for Mr Anand Rathi and Mr Amit Rathi who are Father and Son, and Mr Pradeep Gupta who is Son-in Law of Mr Anand Rathi and Brother-in Law of Mr Amit Rathi, none of the directors are relatives of any other director.

g) Number of Shares held by non-executive Directors

The direct shareholding of non-executive

directors as on March 31, 2022 is as follows:

| Sr. No. | Name | No. of shares held |
|---------|------------------------|--------------------|
| 1 | Mr Anand Rathi | 4,971,390 |
| 2 | Mr Amit Rathi | 1,425,000 |
| 3 | Mr Pradeep Gupta | 1,902,012 |
| 4 | Mr Ramesh Chandak | 1,500 |
| 5 | Mrs Sudha Navandar | 1,500 |
| 6 | Mr Mohan Tanksale | Nil |
| 7 | Mr Kishan Gopal Somani | Nil |

h) Familiarisation Programme for Independent Directors

The Company has familiarisation program for the Independent Directors with regard to their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. It aims to provide insight to the Independent Directors to understand the business of the Company. The Independent Directors are familiarised with their roles, rights and responsibilities.

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and committee meetings on business and performance updates of the

Report on Corporate Governance (Contd.)

Company, overview of business operations of subsidiaries, business strategy etc.

Updates on relevant statutory/regulatory changes are periodically informed to the Directors. The details of familiarisation programme of independent directors is available under the investor section on the Company's website <http://anandrathiwealth.in>

i) Independent Directors Meeting

The independent Directors met to review the performance of the Non-Independent Directors. The independent directors reviewed the performance of non-independent directors and the Board as a whole; and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board required to effectively and reasonably perform their duties.

j) Board Skill Matrix:

| Sr. No. | Name of Directors | Skills/Expertise/Competency |
|---------|------------------------|---|
| 1 | Mr Anand Rathi | Leadership/Operational Experience Strategic Planning Global Economics Finance and Accounts, Regulatory/Legal and Risk Management Industrial and Stakeholders Relations Corporate Governance |
| 2 | Mr Pradeep Gupta | Leadership/Operational Experience Strategic Planning Global Economics Finance and Accounts, Regulatory/Legal and Risk Management Industrial and Stakeholders Relations Corporate Governance |
| 3 | Mr Amit Rathi | Leadership/Operational Experience Strategic Planning Finance and Accounts, Regulatory/Legal and Risk Management Industrial and Stakeholders Relations Corporate Governance |
| 4 | Mr Rakesh Rawal | Leadership/Operational Experience Strategic Planning Finance and Accounts, Regulatory/Legal and Risk Management Industrial and Stakeholders Relations Corporate Governance |
| 5 | Mr Kishan Gopal Somani | Strategic Planning Finance and Accounts Regulatory Risk Management Corporate Governance |
| 6 | Mr Mohan Tanksale | Strategic Planning Finance and Accounts Regulatory Risk Management Corporate Governance |
| 7 | Mr Ramesh Chandak | Strategic Planning Finance and Accounts Regulatory Risk Management Corporate Governance |
| 8 | Mrs Sudha Navandar | Strategic Planning Finance and Accounts Regulatory Risk Management Corporate Governance |

II) BOARD COMMITTEES

The Board has five committees i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The committees operate under the direct supervision of the Board. Generally, the committee meetings are held

prior to the board meeting and the chairperson of the respective committee reports to the Board about the deliberations and decisions taken by the committees.

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

a) Audit Committee

As on March 31, 2022, the Audit Committee comprises of Four Independent Directors and Two Non-Executive Directors as under:

| Sr. No. | Name | Category | Designation |
|---------|------------------------|--|-------------|
| 1 | Mr Mohan Tanksale | Non-Executive - Independent Director | Chairman |
| 2 | Mrs Sudha Navandar | Non-Executive - Independent Director | Member |
| 3 | Mr Kishan Gopal Somani | Non-Executive - Independent Director | Member |
| 4 | Mr Ramesh Chandak | Non-Executive - Independent Director | Member |
| 5 | Mr Anand Rathi | Non-Executive - Non Independent Director | Member |
| 6 | Mr Amit Rathi | Non-Executive - Non Independent Director | Member |

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All Members of the Audit Committee possess accounting and financial management knowledge. The Audit Committee was re-constituted by the Company on October 12, 2021 by inducting Mr Anand Rathi, Mr Ramesh Chandak and Mr Kishan Gopal Somani as the members of the Committee. The Company Secretary is the Secretary to the Committee.

The Audit Committee met Seven times during the year on June 14, 2021, July 16, 2021, October 11, 2021, October 12, 2021, November 17, 2021, December 7, 2021 and January 6, 2022. The details of the composition of the Committee, meetings held, attendance at the meetings are given in Following Table:

Details of the Audit Committee:

| Name of the Director | Position | No. of meetings attended (total held during the tenure) |
|-------------------------|----------|---|
| Mr Mohan Tanksale | Chairman | 6 (7) |
| Mrs Sudha Navandar | Member | 7 (7) |
| Mr Amit Rathi | Member | 7 (7) |
| Mr Anand Rathi* | Member | 3 (3) |
| Mr Kishan Gopal Somani* | Member | 1 (3) |
| Mr Ramesh Chandak* | Member | 3 (3) |

*Inducted in the Committee w.e.f. October 12, 2021 after re-constitution of the Audit committee.

The brief synopsis of terms of reference of the Audit Committee are described below:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing the financial statements with respect to its subsidiaries, in particular investments made by the unlisted subsidiaries;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- Reviewing with the Management the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinion(s) in the draft audit report.
- Reviewing with the Management, quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;

Report on Corporate Governance (Contd.)

- Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the Company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - Discussion with the internal auditors of any significant findings and follow-up thereon;
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;
 - Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
 - Reviewing the functioning of the Whistle Blower mechanism/Vigil mechanism;
 - overseeing the vigil mechanism established by the Company, with the Chairman.
 - Approval for appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;
 - Review of utilisation of loans and/or advances from investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
 - Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
 - carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of the Company or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other regulatory authority.
- b) Nomination and Remuneration Committee**
- As of March 31, 2022, Nomination and Remuneration Committee comprises of two Independent Directors and one Non-Executive Director viz. Mr Kishan Gopal Somani (Chairman), Mr Ramesh Chandak, and Mr Anand Rathi, as Members of this Committee. The Company Secretary is the Secretary to the Committee. This Committee met twice during the financial year i.e. on June 14, 2021 and July 16, 2021, wherein Mr. Anand Rathi and Mr. Ramesh Chandak attended both the meetings while Mr. Kishan Gopal Somani could not attend the meetings due to pre-occupations and was granted leave of absence as requested.
- In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the role of the Nomination and Remuneration Committee of the Company is as under:
1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key management personnel, Senior Management and other employees;
- The Nomination and Remuneration Committee, while formulating the above policy, should ensure that -

Report on Corporate Governance (Contd.)

- i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. remuneration to directors, key management personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
2. formulation of criteria for evaluation of independent directors and the Board;
 3. devising a policy on Board diversity;
 4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);
 5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors;
 6. recommend to the Board all remuneration, in whatever form, payable to senior management;
 7. frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003,

by the trust, the Company and its employees, as applicable.

- iii. perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in each case as amended, or by any other applicable laws or regulatory authority.

Performance Evaluation criteria for Board Directors

The Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including the Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, etc., which is in compliance with applicable laws, regulations and guidelines.

Criteria for payment to Independent Directors

The Independent Directors are paid sitting fees for attending the Meetings of the Board of Directors and the Board Committees, which are within the limits laid down by the Companies Act, 2013 read with relevant Rules thereunder. The Company pays sitting fees of ₹ 50,000/- to each Independent Director for their attendance at every Board meeting and ₹ 25,000/- for the Board constituted Committee Meetings.

c) Stakeholders Relationship Committee

This Committee comprises three Directors viz. Mr Ramesh Chandak (Chairman and Independent Director), Mr Amit Rathi (Non-Executive Director) and Mr Pradeep Gupta, (Non-Executive Director). As on March 31, 2022, Mr Ashish Chauhan, Company Secretary, is the Compliance Officer of the Company.

During 2021-22, the Committee met once on January 6, 2022.

The details of the composition of the Committee, meetings held, attendance at the meetings, are given in following Table:

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Details of the Stakeholders Relationship Committee

| Name of the Director | Position | No. of meetings attended (total held during the tenure) |
|----------------------|----------|---|
| Mr Ramesh Chandak | Chairman | 1 (1) |
| Mr Amit Rathi | Member | 1 (1) |
| Mr Pradeep Gupta | Member | 1 (1) |

During 2021-22, 80 queries/complaints were received by the Company from members/investors/authorities, all of which have been redressed/resolved to date, satisfactorily.

The Committee deals with the following matters:

1. considering and resolving grievances of shareholders', debenture holders and other security holders;
2. redressal of grievances of the security holders of the Company, including complaints in respect of, allotment of Equity Shares, transfer/transmission of Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, general meetings, etc.;
3. approval of transfer or transmission of Equity Shares, debentures or any other securities;
4. resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
5. review of measures taken for effective exercise of voting rights by shareholders;
6. review of adherence to the service standards adopted in respect of various services being rendered by the registrar and share transfer agent;
7. review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

8. issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
9. carrying out any other functions required to be undertaken by the Stakeholders Relationship Committee under applicable laws.

d) Corporate Social Responsibility (CSR) Committee:

The Committee comprises three Directors viz. Mr Anand Rathi (Chairman), Mr Pradeep Gupta and Mrs Sudha Navandar.

During 2021-22, the Committee met once on June 14, 2021.

The details of the composition of the Committee, meetings held, attendance at the meetings, are given in following Table:

Details of the Corporate Social Responsibility Committee:

| Name of the Director | Position | No. of meetings attended (total held during the tenure) |
|----------------------|----------|---|
| Mr Anand Rathi | Chairman | 1 (1) |
| Mr Pradeep Gupta | Member | 1 (1) |
| Mrs Sudha Navandar | Member | 1 (1) |

The Committee deals with the following matters:

- 1) To formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;
- (2) To recommend the amount of expenditure to be incurred on the activities as specified in Schedule VII of Companies Act, 2013;
- (3) To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- (4) To do such other acts, deeds and things as may be required to comply with the applicable laws; and

Report on Corporate Governance (Contd.)

- (5) To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or statutorily prescribed under any other law or by any other regulatory authority.

e) Risk Management Committee:

The Risk Management Committee (RMC) was constituted in accordance with the regulations 21 of the SEBI Listing Regulations. The RMC presently comprises of Six (6) members viz, Mr Anand Rathi (Chairman), Mr Pradeep Gupta, Mrs Sudha Navandar, Mr Mohan Tanksale, Mr Ramesh Chandak and Mr Rajesh Bhutara. Since the Company got listed w.e.f. December 14, 2021, the RMC was not applicable during the financial year. Hence, no meetings of the RMC were held during the year.

The Terms of Reference of the Committee is as under:

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- (7) Monitoring and reviewing of the risk management plan of the Company;
- (8) Review of cyber security and related risks.
- (9) Carry out any other function as is mandated by the Board from time to time and / or prescribed by any statutory notification, amendment or modification as may be applicable.

III) Remuneration to Directors

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

The Non-Executive Independent Directors are paid ₹ 50,000/- towards sitting fees for attending each of the Board Meeting and ₹ 25,000/- towards sitting fees for attending each of the Board constituted Committee Meetings.

Following table gives the details of remuneration paid to Directors for the year ended March 31, 2022. The Company did not advance loans to any of its Directors during 2021-22.

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Remuneration paid/payable to Directors during the financial year ended March 31, 2022:

(Amount in ₹)

| Name of the Director | Salary and Perquisites | Contribution to PF and other funds | Sitting fees | Total |
|--|------------------------|------------------------------------|--------------|------------|
| Mr Rakesh Rawal (Executive Director and CEO) | 48,053,400 | 21,600 | - | 48,075,000 |
| Mr Amit Rathi** | 5,184,332 | 622,120 | - | 5,806,452 |
| Mr Kishan Gopal Somani (Independent Director) | - | - | 175,000 | 175,000 |
| Mr Mohan Tanksale (Independent Director) | - | - | 500,000 | 500,000 |
| Mr Ramesh Chandak (Independent Director) | - | - | 550,000 | 550,000 |
| Mrs Sudha Navandar (Independent Director) | - | - | 750,000 | 750,000 |

** Mr Amit Rathi ceased to be managing director of the Company with effect from July 16, 2021 and continues to be the non-executive director of the Company. Hence the remuneration reflected above is till July 16, 2021

IV) SERVICE CONTRACT, NOTICE PERIOD AND SERVICANCE FEE

The Contract of the Executive Directors of the Company is for a period of three years and can be terminated by giving notice of 180 days from either side. The term of the Executive Director is subject to retirement, in accordance with the provisions of the Act.

V) SUBSIDIARY COMPANIES

In accordance with Regulation 24 of the SEBI Listing Regulations, during this financial year none of the companies fall under the category of material non-listed Indian subsidiaries.

The financial statements of the unlisted subsidiary companies, are reviewed by the Audit Committee and the Board of Directors of the Company.

The Minutes of the Board Meetings of the subsidiary companies are placed before the Board of Directors of the Company.

Details of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

Policy for determining "Material Subsidiaries" is available on the website of the Company at <http://anandrathiwealth.in/Investorrelations.php>

VI) CODE FOR PREVENTION OF INSIDER TRADING PRACTICES AND OTHER POLICIES

The Company has formulated and adopted the Code for Prevention of Insider Trading in accordance with

the requirements under the SEBI (Prohibition of Insider Trading Regulations), 2015.

The Codes viz "Code of Conduct for Prevention of Insider Trading" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of trading plan subject to certain conditions as mentioned in the said Regulations and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's securities by the Directors, designated person and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Company Secretary of the Company, is designated as the Compliance Officer for this Code.

VII) SHAREHOLDER INFORMATION:

a. Disclosures regarding the Board of Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI Listing Regulations. Based on the same the Board confirms that the Independent Director meets with criteria and are Independent of the Management.

Report on Corporate Governance (Contd.)

b. General Body Meetings

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

| Financial Year | Day, Date and Time | Venue of meeting | Particulars of special resolution passed |
|----------------|--|---|--|
| 2020 – 21 | Thursday, July 15, 2021 at 11.30 am | Express Zone, A - Wing, 8 th floor, Western Express Highway, Goregaon East, Mumbai – 400 063 | Continuation of Mr Anand Nandkishore Rathi, Non-Executive Director, after attaining the age of 75 years, pursuant to Regulation 17 of SEBI Listing Regulations. Continuation of Mr Ramesh D. Chandak, Independent Director, after attaining the age of 75 years, pursuant to Regulation 17 of SEBI Listing Regulations. Increase in Authorised Share Capital of the Company from ₹ 20 Crores to ₹ 25 Crores and amendment to the Capital Clause in the Memorandum of Association. |
| 2019 – 20 | Monday, September 28, 2020 at 11.00 am | Express Zone, A - Wing, 10th floor, Western Express Highway, Goregaon East, Mumbai – 400 063 | Appointment of Mr Rakesh Rawal as an Executive Director and Chief Executive Officer of the Company for a period of 3 years w.e.f. April 1, 2020. Re-appointment of Mr Mohan Vasant Tanksale as an Independent Director of the Company for second term of 5 consecutive years. Re-appointment of Mr Ramesh D. Chandak as an Independent Director of the Company for second term of 5 consecutive years. Re-appointment of Mr Kishan Gopal Somani as an Independent Director of the Company, for second term of 5 consecutive years and his continuation as Independent Director, after attaining the age of 75 years. Re-appointment of Mrs. Sudha Navandar as an Independent Director of the Company for second term of 5 consecutive years. |
| 2018 - 19 | Thursday, September 12, 2019 at 02.00 pm | Express Zone, A - Wing, 10th floor, Western Express Highway, Goregaon East, Mumbai – 400 063 | Re-appointment of Mr Amit Rathi as Managing Director of the Company for the period of 3 Years w.e.f. April 1, 2020. |

Postal Ballot:

During the year, no Special Resolutions were passed through postal ballot. There is no immediate proposal for passing any resolution through postal ballot

c. Means of Communication:

Quarterly results: The Company's quarterly/half-yearly/annual financial results are sent to the Stock Exchanges and published in 'Business Standard' (English) and 'Maharashtra Times' (Marathi). They are also available on the website of the Company.

News releases, presentations: Official news releases and official media releases are generally sent to the Stock Exchanges and are also available on the website of the Company.

Presentations to institutional investors/analysts: Presentations made to institutional investors and analysts are sent to the Stock Exchanges and are

also uploaded on the website of the Company. No unpublished price sensitive information is discussed in meeting with institutional investors and analysts.

Website: The Company's website (<http://anandrathiwealth.in>) contains a separate dedicated section 'Investor Relations' where shareholders' information is available.

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

Report on Corporate Governance (Contd.)

Designated exclusive email-IDs:

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

- For Investor Contacts: rajeshbhutra@rathi.com; vishalsanghavi@rathi.com
- For queries in respect of shares: csarwsl@rathi.com

d) General Shareholder Information

- Annual General Meeting

| | |
|-------|--|
| Date | : August 12, 2022 |
| Day | : Friday |
| Time | : 02.30 p.m (IST) |
| Venue | : Meeting is being conducted through VC / OAVM pursuant to pursuant to MCA Circular dated May 5, 2020 and General Circular No. 02/2022 dated May 5, 2022 issued by Ministry of Corporate Affairs (MCA) read with Securities and Exchange Board of India Circular dated May 13, 2022 there is no requirement to have a venue for the AGM. The registered office of the Company shall be deemed to be the venue for the AGM. |

Corporate Identification Number:

Corporate Identity Number (CIN) of the Company is U67120MH1995PLC086696.

Financial Year

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

During the financial year under review, the Board Meetings for approval of quarterly and annual

financial results were held on the following dates:

| | |
|--|-------------------|
| 3 rd Quarter Results* | : January 6, 2022 |
| 4 th Quarter and Annual Results | : April 12, 2022 |

*The Company got listed on Stock Exchanges on December 14, 2021. Hence, the period mentioned is from 3rd Quarter results.

Dividend

During the year under review, the Board of Directors have declared dividend as follows:

| Dividend | Date of Declaration | Date of Payment |
|-----------------------------|---------------------|------------------|
| Final Dividend of 2020-21 | July 15, 2021 | July 15, 2021 |
| Interim Dividend of 2021-22 | January 6, 2022 | January 28, 2022 |

For the Final Dividend for 2021-22, the Board of Directors at its meeting held on April 12, 2022 has recommended dividend of ₹ 6/- [Rupees Six only] per equity share, subject to approval by Shareholders at the Annual General Meeting.

Listing of Equity Shares on Stock Exchange and Stock Codes:

BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

National Stock Exchange of India Limited: Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

| | |
|---------------------------------------|--------------|
| ISIN (Equity Shares) in NSDL and CDSL | INE463V01026 |
| BSE Code | 543415 |
| NSE Code | ANANDRATHI |

The Company has paid the requisite annual listing fees to the BSE Limited and National Stock Exchange of India Limited.

Stock Market Price Data

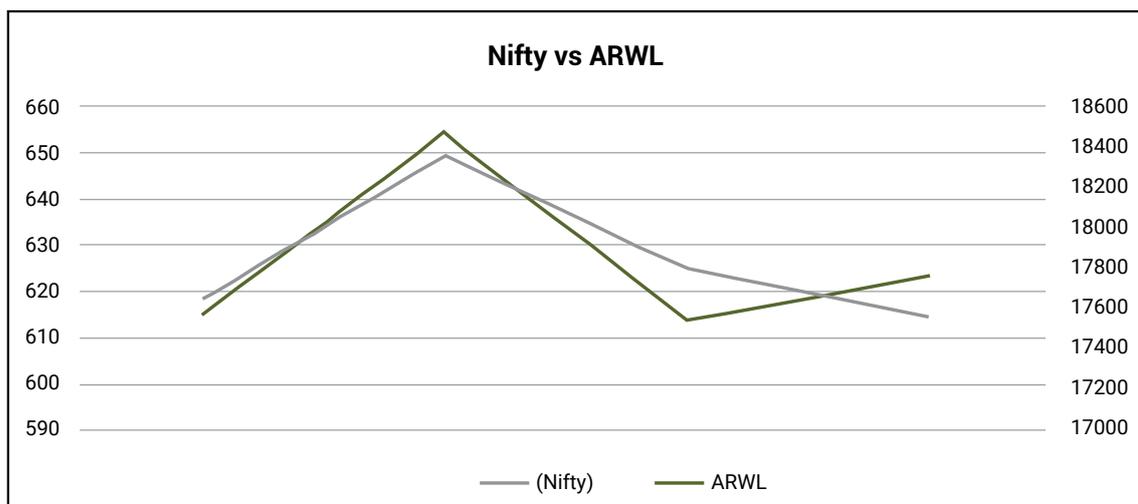
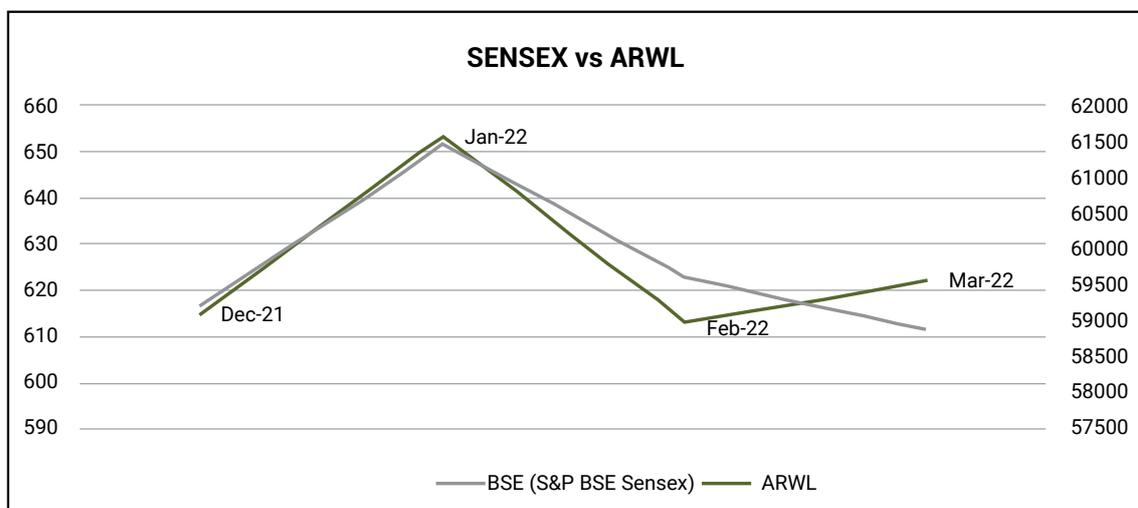
| Month* | BSE Limited | | | National Stock Exchange of India Limited (NSE) | | |
|---------------|-------------|-----------|--------------------------------|--|-----------|--------------------------------|
| | High Price | Low Price | Number of Equity Shares Traded | High Price | Low Price | Number of Equity Shares Traded |
| December 2021 | 614.95 | 543.20 | 1,565,860 | 615.00 | 542.60 | 20,465,624 |
| January 2022 | 653.60 | 570.55 | 803,320 | 654.00 | 571.00 | 7,815,874 |
| February 2022 | 613.45 | 541.85 | 272,799 | 613.80 | 542.05 | 2,364,056 |
| March 2022 | 622.00 | 550.75 | 225,765 | 623.00 | 552.00 | 1,602,946 |

*Since the Company for listed on Stock Exchanges w.e.f. December 14, 2021, the price data is from the period thereafter.

Report on Corporate Governance (Contd.)

Share Price Performance as compared with Performance index of National Stock Exchange of India Limited and BSE Limited:

| Month* | BSE Limited (S&P BSE Sensex) | | National Stock Exchange of India Limited (Nifty) | |
|---------------|------------------------------|-----------|--|-----------|
| | High Price | Low Price | High Price | Low Price |
| December 2021 | 59,203.37 | 55,132.68 | 17,639.5 | 16,410.2 |
| January 2022 | 61,475.15 | 56,409.63 | 18,350.95 | 17,077.1 |
| February 2022 | 59,618.51 | 54,383.20 | 17,794.6 | 16,356.3 |
| March 2022 | 58,890.92 | 52,260.82 | 17,559.80 | 15,671.45 |



Report on Corporate Governance (Contd.)

Registrars and Share Transfer Agents:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400083

Telephone: 91 22 4918 6000

Email: rnt.helpdesk@linkintime.com Website: www.linkintime.co.in

The Company has maintained an email id: csarwsl@rathi.com, which is designated for investor correspondence for the purpose of registering any investor related complaints and the same have been displayed on the Company's website: <http://anandrathiwealth.in>

Members may contact the Compliance Officer at the following address:

Mr Ashish Chauhan

Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon (E), Mumbai - 400 063

Tel No:- +91 (22) 6281 7000

Email:- csarwsl@rathi.com, Website:- <http://anandrathiwealth.in>

Share Transfer System:

Share Transfer and related operations for the Company are processed by the Company's RTA viz. Link Intime India Private Limited. The Registrars and Share Transfer Agent have put in place an appropriate Share Transfer system to ensure timely share transfers. Share transfers are registered and returned in the normal course within an average period of 30 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days.

Distribution of Shareholding:

a) Distribution of shareholding by Size as on March 31, 2022

| Distribution of shareholding as on March 31, 2022 No. of Shares | No. of Holders | % of Total | No. Of Shares | Percentage to Total Holder |
|---|----------------|---------------|-------------------|----------------------------|
| 1 - 500 | 44,446 | 97.33 | 1,458,132 | 3.50 |
| 501 - 1,000 | 435 | 0.95 | 343,929 | 0.83 |
| 1,001 - 2,000 | 279 | 0.61 | 428,803 | 1.03 |
| 2,001 - 3,000 | 102 | 0.22 | 255,922 | 0.62 |
| 3,001 - 4,000 | 65 | 0.14 | 233,977 | 0.56 |
| 4,001 - 5,000 | 31 | 0.07 | 142,955 | 0.34 |
| 5,001 - 10,000 | 93 | 0.20 | 691,276 | 1.66 |
| 10,001 - 99,999,999,999 | 214 | 0.47 | 38,061,233 | 91.46 |
| Total | 45,665 | 100.00 | 41,616,227 | 100.00 |

b) Shareholding pattern by Ownership as on March 31, 2022:

| Sr. no. | Ownership | No. of Shares held | Percentage of Holding |
|---------|--|--------------------|-----------------------|
| 1 | Body Corporate - Limited Liability Partnership | 105,416 | 0.2533 |
| 2 | Clearing Members | 140,718 | 0.3381 |
| 3 | Foreign Portfolio Investors (Corporate) | 424,516 | 1.0201 |
| 4 | Hindu Undivided Family | 1,592,579 | 3.8268 |
| 5 | Mutual Funds | 3,648,786 | 8.7677 |
| 6 | NBFCs registered with RBI | 56 | 0.0001 |
| 7 | Non Resident (Non Repatriable) | 308,768 | 0.7419 |
| 8 | Non Resident Indians | 41,525 | 0.0998 |
| 9 | Other Bodies Corporate | 13,178,339 | 31.6663 |
| 10 | Public | 22,133,147 | 53.1839 |
| 11 | Trusts | 42,377 | 0.1018 |
| | Total | 41,616,226 | 100.00 |

Report on Corporate Governance (Contd.)

c) Shareholding – Top 10 Shareholders as on March 31, 2022:

| Sr. No | Name | No of Shares held | Percentage of Holding |
|--------|--|-------------------|-----------------------|
| 1 | Anand Rathi Financial Services Limited | 8,661,123 | 20.81 |
| 2 | Anand Rathi | 4,971,390 | 11.95 |
| 3 | Pradeep Kumar Gupta | 1,902,012 | 4.57 |
| 4 | Amit Rathi | 1,425,000 | 3.42 |
| 5 | Priti Pradeep Gupta | 1,162,500 | 2.79 |
| 6 | Supriya Rathi | 1,125,000 | 2.70 |
| 7 | Franklin India Smaller Companies Fund | 845,481 | 2.03 |
| 8 | DSP Small Cap Fund | 823,644 | 1.97 |
| 9 | Pradeep Kumar Gupta HUF | 750,000 | 1.80 |
| 10 | Feroze Azeez | 729,210 | 1.75 |

Listing

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company had paid the applicable listing fees for 2021-22, at the time of listing of the shares w.e.f. December 14, 2021, to BSE Limited and National Stock Exchange of India Limited. The listing fees for 2022-23 are also paid to BSE Limited and National Stock Exchange of India Limited. The Company also paid the annual custodial fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Dematerialisation of Shares and Liquidity

Break-up of shares held in physical and dematerialised form as on March 31, 2022 is as follows:

| Shareholding | 2021-22 | |
|-----------------|---------------|------------|
| | No. Of Shares | % of Total |
| Physical | 1 | 0.00 |
| Demat Segment : | | |
| NSDL | 9,067,612 | 21.79 |
| CDSL | 32,548,614 | 78.21 |
| Total | 41,616,227 | 100.00 |

The equity shares of the Company are liquid and traded on BSE Limited and National Stock Exchange of India Limited. The Company has executed agreements with both NSDL and CDSL for dematerialisation of its shares.

| | |
|---|--------------|
| ISIN numbers in NSDL and CDSL for equity shares | INE463V01026 |
|---|--------------|

Outstanding ADRs/GDRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any ADRs/GDRs/Warrants or any Convertible instruments

Foreign Exchange Risk and Hedging activities: Nil

Plant Location:

The Company is in the business of Mutual Fund Distribution, therefore, it does not have any manufacturing plants.

Address for members' correspondence

Members are requested to correspond with the Registrars and Share Transfer Agents or the Company at the below given address on all matters relating to transfer/dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of the Company.

Compliance Officer:

Mrs. Jinal Trivedi
Anand Rathi Wealth Limited
Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon (E), Mumbai 400063.
Tel: +91-22-6281 7000
Website: <http://anandrathiwealth.in>
Email: csarwsl@rathi.com

Investor Relations Officer:

Mr Rajesh Bhutara
Anand Rathi Wealth Limited
Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon (E), Mumbai 400063.
Tel: +91-22-6281 7000
Website: <http://anandrathiwealth.in/>
Email:- rajeshbhutra@rathi.com

Report on Corporate Governance (Contd.)

Mr Vishal Sanghavi
Anand Rathi Wealth Limited
Express Zone, A Wing, 10th Floor, Western
Express Highway, Goregaon (E), Mumbai 400063.
Tel: +91-22-6281 7000
Website: <http://anandrathiwealth.in/>
Email:- vishalsanghavi@rathi.com

Credit Rating:

During the year under review, the Company has not obtained Credit rating.

VIII) OTHER DISCLOSURE:

a) Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

The Company's related party transactions are mainly with its subsidiaries and associate Company and group companies. All the contracts/arrangements/transactions entered by the Company during the current financial year with related parties were in the ordinary course of business and at an arms' length basis. None of the transactions entered with the related parties during the financial year were in conflict with Company's interest.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years:

There have been no instances of non-compliance by the Company, imposition of penalties and strictures on the Company by the stock exchange, SEBI or any statutory authority, on any other matter related to the capital markets, during last three years.

c) Vigil Mechanism and Whistle Blower Policy:

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, the Company has formulated the Vigil Mechanism and Whistle Blower Policy for Directors and employees to report to management about the unethical behaviour, fraud or violation of the Company's Code of Conduct. The mechanism provides ethical code of conduct of the highest degree of transparency, integrity, accountability and responsibility. Any actual or potential violation of the Code would

be a matter of serious concern for the Company. The Directors, Employees or any person dealing with the Company can play an important role in pointing out such violations of the code.

Accordingly, this policy has been formulated with a view:

- i) To safeguard the confidentiality and interest of such employees/other persons dealing with the Company against victimisation, who notice and report any unethical or improper practices; and
- ii) To appropriately communicate the existence of such mechanism, within the organisation and to outsiders.

The Policy has been posted on the website of the Company viz., <http://anandrathiwealth.in/Investorrelations.php>

None of the personnel of the Company has been denied access to the Audit Committee.

d) Details of compliance with mandatory requirements

All the mandatory requirements of Regulations 17 to 27 and Regulation 34 of the SEBI Listing Regulations have been complied with by the Company.

f) Policy on Subsidiary Companies

The Company has three subsidiaries viz. Ffreedom Intermediary Infrastructure Private Limited, AR Digital Wealth Private Limited (formerly known as AR Wealth Management Private Limited) and Freedom Wealth Solutions Private Limited.

For 2021-22, AR Digital Wealth Private Limited is falling under the category of material subsidiary company in terms of the definition under Regulation 16(1)(c) of SEBI Listing Regulations.

The Policy for determining the material subsidiaries is available at <http://anandrathiwealth.in/Investorrelations.php>

g) Policy on Related Party Transactions:

In terms of Section 188 of the Companies Act, 2013 read with the Regulation 23 of SEBI Listing Regulations, the Company had formulated a policy on related party transactions.

The Policy is intended to ensure that there is proper approval and reporting of transactions

Report on Corporate Governance (Contd.)

between the Company and its related parties. The Policy, after carrying out the necessary modifications in line with the amendments made from time to time, is placed on the website of the Company <http://anandrathiwealth.in/Investorrelations.php>

h) **Commodity Price risks and Hedging Activities:**

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

i) **Details of Utilisation of funds:**

The Company has not raised any funds through preferential allotment or Qualified Institutional Placement as specified under Regulation 32 (7A).

j) **Certificate from a Practicing Company Secretary on non-disqualification of Directors:**

The Company has obtained a Certificate from M/s. Dharmesh Bohra and Associates, Company Secretaries, Mumbai to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

k) **Recommendations of the Committees:**

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

l) **Total Fees to Statutory Auditors for 2021-22**

The total fees for 2021-22, payable by the Company and its subsidiary companies to the Statutory Auditors i.e. M/s. kkc & associates llp and all the entities in the network firm of which the statutory auditor is a part, is ₹ 46.76 Lakhs

m) **Disclosure in relation to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has constituted Internal Complaints Committee (ICC) to consider and resolve all sexual harassment complaints. The Constitution of ICC is as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed and resolved during the Financial Year is as follows:

| | |
|--|-----|
| Number of complaints filed during the FY | Nil |
| Number of complaints disposed of during the FY | Nil |
| Number of complaints pending as on the end of the FY | Nil |

Non-Compliance of any requirement of Corporate Governance Report:

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

Code of Conduct

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management personnel of the Company. The Code has also been posted on the website of the Company.

All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct for 2021-22. An annual declaration signed by the Executive Director and Chief Executive Officer of the Company affirming compliance to the Code by the Board of Directors and the Senior Management forms part of the report. The Code of Conduct is placed on the website of the Company <http://anandrathiwealth.in/Investorrelations.php>

CEO/CFO CERTIFICATION

In compliance with Regulation 17(8) of the SEBI Listing Regulations, a certificate from Chief Executive Officer and Chief Financial Officer of the Company to the Board of Directors as specified in Part B of Schedule II of the said regulations forms part of the report.

IX) OTHER DISCLOSURES

1. There were no material related party transactions entered by the Company that may have a potential conflict with the interests of the Company. The Company has formulated a policy on Related Party Transactions and the said Policy is available on the website of the Company <http://anandrathiwealth.in>
2. There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges

Report on Corporate Governance (Contd.)

- or SEBI or any other statutory authority on any matter related to the capital market during the last three years.
3. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism Policy under which the employees are free to report violations of applicable laws and regulations. The same is posted on the website of the Company <http://anandrathiwealth.in>
 4. The Company has complied with the mandatory requirements of Corporate Governance as specified in Regulations 17 to 27 and 46 (2) of the SEBI Listing Regulations.
 5. Adoption of discretionary requirements of SEBI Listing Regulations is being reviewed by the Company from time to time.
 6. There is no Non-Compliance of any requirement of Corporate Governance Report of sub para (2) to (10) of the Part C of Schedule V of the SEBI Listing Regulations.

DECLARATION BY THE EXECUTIVE DIRECTOR and CEO UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V THE SEBI LISTING REGULATIONS

To

The Members

Anand Rathi Wealth Limited

I hereby declare that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2022.

For **Anand Rathi Wealth Limited**

Place: Mumbai
Date: April 12, 2022

Sd/-
Rakesh Rawal
Executive Director and CEO

Annexure – 1

Certificate on Non-Disqualification of Directors

Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

To
The Members,
Anand Rathi Wealth Limited,
Express Zone, A Wing, 10th Floor,
Western Express Highway, Goregaon (E),
Mumbai - 400063

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Anand Rathi Wealth Limited, having CIN U67120MH1995PLC086696 and having registered office at Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon (E), Mumbai – 400063 (formerly known as “Anand Rathi Wealth Services Limited” and hereinafter called as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (“DIN”) status on the portal of Ministry of Corporate Affairs (“MCA”) at www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such statutory authority:

| Sl. No. | Name of Directors | DIN | Date of Appointment |
|---------|------------------------|----------|---------------------|
| 1. | Mr Anand Rathi | 00112853 | March 18, 2005 |
| 2. | Mr Amit Rathi | 00029791 | March 18, 2005 |
| 3. | Mr Pradeep Kumar Gupta | 00040117 | March 18, 2005 |
| 4. | Mr Rakesh Rawal | 02839168 | March 1, 2017 |
| 5. | Mr Mohan Tanksale | 02971181 | February 6, 2018 |
| 6. | Mr Ramesh Chandak | 00026581 | March 15, 2018 |
| 7. | Mr Kishan Gopal Somani | 00014648 | March 15, 2018 |
| 8. | Mrs Sudha Navandar | 02804964 | March 15, 2018 |

**Note – Date of appointment of all the directors are original date of appointment as per MCA records.*

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Dharmesh Bohra and Associates
Company Secretaries

Shruti Somani
Partner

C.P. No. 22487

UDIN: A049773D000063369

Place: Mumbai
Date: April 11, 2022

Annexure -2

Certification by CEO and CFO under Regulation 17(8) of SEBI Listing Regulations

To,
The Board of Directors,
Anand Rathi Wealth Limited

We have reviewed the financial statements and the cash flow statement of Anand Rathi Wealth Limited for the year ended March 31, 2022 and that to the best of our knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that during the year under reference:
 - (i) There have not been any significant changes in internal control over financial reporting;
 - (ii) There have not been any significant changes in accounting policies made during the year except that mandated under the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016; and
 - (iii) There have not been any instances of significant fraud of which we have become aware of and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rajesh Bhutara
Chief Financial Officer

Rakesh Rawal
Executive Director and CEO

Place: Mumbai
Date: April 12, 2022

Business Responsibility Report

Introduction:

The Anand Rathi Wealth Limited's Business Responsibility (BR) Report 2021-22 covers our practices and performance on key principles defined by regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across environment, governance, and stakeholder relationships.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| Disclosures | Information/Reference sections |
|---|--|
| Corporate Identity Number (CIN) of the Company | U67120MH1995PLC086696 |
| Name of the Company | Anand Rathi Wealth Limited |
| Registered address | Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon (E), Mumbai -400063 |
| Website | http://anandrathiwealth.in |
| Email id | csarwsl@rathi.com |
| Financial year reported | 2021-22 |
| Sector(s) that the Company is engaged in (Industrial activity code) | National Industrial Classification 2008 code: 66190 - Activities auxiliary to financial service activities n.e.c. |
| List three key products/services that the Company manufactures/provides (as in balance sheet) | Mutual Fund Distribution and Sale of Financial Products |
| Total number of locations where business activity is undertaken by the Company | International Location: The Company has its business operations in 1 International Location. National Location: The Company has presence in 11 Location across India. |
| Markets served by the Company | International Location: Dubai National Location: PAN India |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| Disclosure | Information/Reference Sections |
|---|---|
| Paid Up Capital | 208.08 Million |
| Total Income | 4089.5 Million |
| Total Profit after taxes | 1254.5 Million |
| Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | Please refer Annual Report on CSR activities annexed to Directors' Report |
| List of activities in which expenditure as stated above has been incurred | Please refer Annual Report on CSR activities annexed to Directors' Report |

SECTION C: OTHER DETAILS

| Disclosure | Information/Reference sections |
|--|--|
| Does the Company have any Subsidiary Company/Companies? | As on March 31, 2022, the Company has Three (3) subsidiaries. The detailed information on all the subsidiaries is provided in Board's Report and Annexure 1 to the Board's Report. |
| Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s) | No |
| Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | No |

Business Responsibility Report (Contd.)

SECTION D: BR INFORMATION

1. Details of the Director/Directors responsible for BR:

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

| | |
|-------------|-------------------------------------|
| DIN | 00112853 |
| Name | Anand Rathi |
| Designation | Chairman and Non-Executive Director |

(b) Details of the BR Head:

| | | |
|---|------------------|--|
| 1 | DIN Number | 02839168 |
| 2 | Name | Rakesh Rawal |
| 3 | Designation | Executive Director and Chief Executive Officer |
| 4 | Telephone Number | +91 80 4624 0200 |
| 5 | E-mail ID | csarwsl@rathi.com |

2. The National Voluntary Guidelines released by the Ministry of Corporate Affairs are based on nine principles in the realm of Business Responsibility:

(a) These are as under:

| Reference | Principle | Heading | Description |
|-----------|-------------|--------------------------------------|---|
| P1 | Principle 1 | Ethics, Transparency, Accountability | Business should conduct and govern themselves with Ethics, Transparency and Accountability |
| P2 | Principle 2 | Product Lifecycle Sustainability | Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle |
| P3 | Principle 3 | Employees' Well Being | Business should promote wellbeing of all employees |
| P4 | Principle 4 | Stakeholder Engagement | Business should respect the interests of and be responsive towards all stakeholders especially the disadvantaged, vulnerable and marginalised |
| P5 | Principle 5 | Human Rights | Business should respect and promote human rights |
| P6 | Principle 6 | Protection of The Environment | Business should respect, protect, and make efforts to restore the environment |
| P7 | Principle 7 | Responsible Principle Advocacy | Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner |
| P8 | Principle 8 | Support Inclusive Growth | Businesses should support inclusive growth and equitable development |
| P9 | Principle 9 | Providing Customer Value | Business should engage with and provide value to their customers and consumers in a responsible manner |

Business Responsibility Report (Contd.)

(b) Details of Compliance (Reply in Y/N)

| Questions | P1 | P2 [#] | P3 | P4 | P5 | P6 | P7 [#] | P8 | P9 |
|--|--|-----------------|-----|-----|-----|-----|-----------------|-----|-----|
| Do you have a policy/policies for... | Yes | NA | Yes | Yes | Yes | Yes | NA | Yes | Yes |
| Has the policy been formulated in consultation with the relevant stakeholders? | Yes | - | Yes | Yes | Yes | Yes | - | Yes | Yes |
| Does the policy conform to any national/international standards? If Yes, specify | The policies adopted by the Company are in conformity with the applicable rules and regulations. | | | | | | | | |
| Has the policy been approved by the Board? If Yes, has it been signed by MD/owner/CEO/appropriate Board Director? | Policies wherever stated have been approved by the Board/Committee of the Board/Senior Management of the Company. | | | | | | | | |
| Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? | Yes | - | Yes | Yes | Yes | Yes | - | Yes | Yes |
| Indicate the link for the policy to be viewed online | As per regulatory requirement, the policies of the Company have been uploaded on the website of the Company at http://anandraithiwealth.in/Investorrelations.php | | | | | | | | |
| Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | | | | | | | | |
| Does the Company have in-house structure to implement the policy/policies? | An Internal Committee has been set up that monitors the progress, reviews and implements, various aspects related to environmental, social and governance policies. | | | | | | | | |
| Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Yes | - | Yes | Yes | Yes | Yes | - | Yes | Yes |
| Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | Yes | - | Yes | Yes | Yes | Yes | - | Yes | Yes |

[#]NA means 'Not applicable' - considering the business of the Company, Principle 2 and Principle 7 are not applicable.

(c) If answer to the question at serial number 1 against any principle, is 'No', please explain why. (Tick up to 2 options) : Not applicable

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----|----|----|----|----|
| The Company has not understood the Principles | - | - | - | - | - | - | - | - | - |
| The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - | - | - | - | - | - | - | - | - |
| The Company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| It is planned to be done within next 6 months | - | - | - | - | - | - | - | - | - |
| It is planned to be done within the next 1 year | - | - | - | - | - | - | - | - | - |
| Any other reason (please specify) | - | - | - | - | - | - | - | - | - |

Business Responsibility Report (Contd.)

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year –
- Compliance with the BR Policy is monitored and evaluated by the BR Head and along with the core management team of the Company on yearly basis.
- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
- This is the first year when the Company would be publishing its Business Responsibility Report. The same will be published by the Company annually along with its Annual Report on the website of the Company: <http://anandrathiwealth.in>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

- 1) Does the policy relating to ethics, bribery and corruption cover only the Company? (Yes/No). Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes. It covers the Company.

Ethics form a core part of the Company's core principles. Moreover, the Company has a separate Vigil Mechanism and Whistle Blower Policy, which covers issues like Criminal offence, Breach of Contract, Negligence causing substantial and specific danger to public health and safety, Manipulation of Company data/records, Pilferation of confidential/propriety information, Wastage/misappropriation of Company funds/assets, Breach of employee Code of Conduct or Rules etc. Apart from that, the Company has various documents and policies covering issues such as code of conduct for Board Members and Senior Management, Code of Conduct for Prevention of Insider Trading and Prevention of Money Laundering Policy, Anti Sexual Harassment Policy etc.

The Company conducts all its business activities in an honest and ethical manner and takes a zero-tolerance approach to bribery and corruption in all its business dealings and relationships.

The Company also has an exhaustive manual and online portal on human resources which covers all aspects pertaining to employment with Group which encourages principles of ethics, transparency and accountability. Further, the Company arranges lot of training, conduct seminars for employees to abide by the Company's policies in true spirit.

The above Policies are uploaded on Website of the Company at <http://anandrathiwealth.in/Investorrelations.php>

- 2) How many stakeholder complaints have been received in the past financial year and what percentage was satisfactory resolved? If so, provide details thereof, in about 50 words or so.

The Status of investor complaints are given below:

| Sr. No. | Particulars | Number of Investor Complaint |
|---------|---|------------------------------|
| 1 | Pending as on April 1, 2021 | - |
| 2 | Received during 2021-22 | 80 |
| 3 | Disposed off during 2021-22 | 80 |
| 4 | Remaining unresolved as on March 31, 2022 | - |

Further, during the year under review, no complaints relating to ethics, bribery and corruption were filed against the Company. The Company had not received any whistle blower complaints or complaints on sexual harassment under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013, during the year.

Business Responsibility Report (Contd.)

Principle 2 - Product Lifecycle Sustainability

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

- 1) List three products or services whose design has incorporated social or environmental concerns, risks and/or opportunities: Not applicable
- 2) For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): Not applicable
- 3) Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company being a financial services Company does not have any goods and raw material utilisation as part of its products and services. The Company's major material requirements are related to office infrastructure, administration and IT related equipments and services. Although, there is very limited procurement requirement, the Company takes various initiatives to have responsible sourcing.

- 4) Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company being a financial services Company suitably its necessary requirements are from local suppliers and vendors. The Company wherever possible and feasible, has tried to improve the capacity and capability of local and small vendors by patronizing them to supply/provide different

- 7) Please indicate the number of complaints relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year, and those that are pending, as on the end of the financial year.

| Sr. No. | Category | No. of complaints filed during the financial year | No. of complaints pending as on end of the financial year |
|---------|---|--|---|
| 1 | Child labour/forced labour/involuntary labour | Anand Rathi Wealth Limited does not hire child labour, forced labour or involuntary labour | NA |
| 2 | Sexual Harassment | Nil | NA |
| 3 | Discriminatory employment | None | NA |

services required by the Company for its day to day administration / operations

- 5) Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

Since the Company is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. However, the waste generated at the Company's premises are being managed through the process of normal waste disposal mechanism.

Principle 3 – Employees' Well Being

BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

- 1) Please indicate the Total number of employee – The total number of employees as on March 31, 2022 stood at 717.
- 2) Please indicate the total number of employees hired on temporary/contractual/casual basis. 3.
- 3) Please indicate the number of permanent women employees: The total number of women employees as on March 31, 2022 - 270.
- 4) Please indicate the number of permanent employees with disabilities: The number of employees with disabilities as on March 31, 2022 – Nil.
- 5) Do you have an employee association that is recognised by the Management? There is no employee association. However, mechanisms are in place for employees to represent their issues, if any, and the same are resolved amicably.
- 6) What percentage of your permanent employees are members of this recognised employee association? Not Applicable

Business Responsibility Report (Contd.)

8) What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

| Sr. No. | Category | Percentage (%) |
|---------|---------------------------------------|--|
| 1 | Permanent Employee | Every employee of the Company undergoes necessary training |
| 2 | Permanent Women Employee | |
| 3 | Casual/Temporary/Contractual Employee | |
| 4 | Employee with disabilities | NA |

Principle 4: Stakeholder Engagement

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE OR MARGINALISED

1) Has the Company mapped its internal and external stakeholders? Yes/No –

Yes.

2) Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes.

3) Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so. –

The Company provides equal opportunities to differently-abled, marginalized and people from economically weaker background. All employees are offered equal opportunities for career growth.

The Company also engages with each of its stakeholders through a variety of forums. The details of the engagement with such stakeholders has been laid out in the CSR report of the Company.

More details are available in the Annual Report on CSR activities which is available in the Annexure attached to Director's Report.

Principle 5: Human Rights

BUSINESSES SHOULD RESPECT AND PROTECT HUMAN RIGHTS

1) Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Respecting and understanding human rights and addressing the potential human rights violation is important responsibility of any organisation. Anand

Rathi Wealth Limited has adopted several policies viz., Code of Conduct, Anti Sexual Harassment Policy, Vigil Mechanism and Whistle Blower Policy etc., to ensure that there are no violation of human rights in its conduct.

2) How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaint governing this principle.

Principle 6: Environmental Management

BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1) Does the policy related to Principle 6 cover only the Company, or does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

As mentioned under response to Principle 2, given the nature of business of the Company, this principle is not substantially relevant to the Company. However, the Company comply with applicable environmental regulations.

2) Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

The Company is engaged in the industry of providing services and not manufacturing of any goods, hence is a non-pollutant Company. However, being a responsible corporate citizen, the Company has been embracing processes, policies, and practices. The Company emphasises on cost efficient environment-friendly measures.

3) Does the Company identify and assess potential environmental risks?

Not Applicable

4) Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Business Responsibility Report (Contd.)

The above question is not applicable to the Company as it is not a manufacturing Company.

- 5) Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.

The Company is engaged in the industry of providing services and not manufacturing of any goods, hence is a non-pollutant Company. However, Company has adopted several digital platforms to reduce the use of paper and stationery.

- 6) Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The above question is not applicable to the Company as it is not a manufacturing Company.

- 7) Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil.

Principle 7: Policy Advocacy

BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

- 1) Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Anand Rathi Wealth Limited is presently member of the Association of Mutual Funds in India (AMFI).

- 2) Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company provides various suggestions with respect to development and regulation of financial services sector.

Principle 8: Inclusive Growth

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

- 1) Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The CSR activities/Programmes support inclusive growth and equitable development.

Anand Rathi Wealth Limited, Spends their CSR amount majorly on Promoting Education, Rural Development, Child Care, Animal Welfare and COVID relief programmes.

- 2) Are the programmes/projects undertaken through in house team/own foundation/external NGO/government structures/any other organisation?

Both – directly as well as in association with a local partners.

- 3) Have you done any impact assessment of your initiative?

Yes. The Company continuously monitors and assesses the impact of its CSR initiatives.

- 4) What is your Company's direct contribution to community development projects – amount in ₹ and the details of the projects undertaken?

Please refer to the Annual Report on CSR Activities annexed to the Director's Report.

- 5) Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so

The Company periodically monitors the outcome of the community development initiatives in relation to the objectives.

Principle 9: Value for Customers

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

- 1) What percentage of customer complaints/consumer cases are pending as on the end of financial year?

Nil.

Business Responsibility Report (Contd.)

- 2) Does the Company display product information on the product label, over and above what is mandated as per local laws?

Our Company is engaged in financial services sector, hence this is not applicable. However, all necessary disclosure requirements relating to the services offered by Anand Rathi Wealth Limited are complied with.

- 3) Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?

NIL

- 4) Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company has not carried out any formal consumer survey/consumer satisfaction trends. However, the Company keeps track of responses/ comments received on emails and on social media network.

For and on behalf of the Board

Date: April 12, 2022
Place: Mumbai

Anand Rathi
Chairman
DIN: 06737041

Independent Auditor's Report

To

The Members of

Anand Rathi Wealth Limited {previously known as Anand Rathi Wealth Services Limited}

Report on the audit of the Standalone Financial Statements

OPINION

1. We have audited the accompanying standalone Ind AS financial statements of Anand Rathi Wealth Limited {previously known as Anand Rathi Wealth Services Limited} ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the rules 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 on the Standalone Financial Statements.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. We have determined that there are no key audit matters to communicate in our report.

OTHER INFORMATION

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report
6. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Standalone Financial Statements

8. 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of

Independent Auditor's Report (Contd.)

- adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the Standalone Financial Statements, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.
- Auditor's responsibilities for the audit of the Standalone Financial Statements**
11. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- 12.1. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 12.2. 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) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- 12.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 12.4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 12.5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and

Independent Auditor's Report (Contd.)

to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. As required by Section 143(3) of the Act, we report that:
 - 17.1. 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.
 - 17.2. 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.
 - 17.3. The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account.
 - 17.4. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - 17.5. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board

of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- 17.6. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 17.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
18. 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:
 - 18.1. The Company does not have any pending litigations which would impact its financial position.
 - 18.2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 18.3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - 18.4. The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the

Independent Auditor's Report (Contd.)

- like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.
- 18.5. The management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures

adopted by us, nothing has come to our notice that such representation contains any material misstatement.

- 18.6. In our opinion and according to the information and explanations given to us, the dividend declared and/or paid during the year the Company is in compliance with Section 123 of the Act.

For **Khimji Kunverji and Co LLP**
Chartered Accountants

Firm Registration Number: 105146W/W100621

Gautam Shah

Partner

ICAI Membership No: 117348

UDIN: 22117348AGXEAB1416

Place: Mumbai

Date: 12 April 2022



Annexure "A" to the Independent Auditor's Report on the Standalone Financial Statements of Anand Rath Wealth Limited (previously known as Anand Rath Wealth Services Limited) for the year ended 31 March 2022

(Referred to in paragraph 16 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE").

The Company is maintaining proper records showing full particulars of intangible assets.

- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

- ii. (a) In our opinion and according to the information and explanations given to us, the nature of business of the Company does not require it to have any inventory. Hence, the reporting under Clause 3(ii)(a) of the Order is not applicable to it.

- (b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess

of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. As informed to us, the Company is not required to file any quarterly returns or statements with such banks or financial institutions.

- iii. (a) In our opinion and according to the information and explanations given to us, the Company has granted loans or advances in the nature of unsecured loans, to parties, and the details are mentioned in the following table

| Particulars | Advances in the nature of loans |
|--|---------------------------------|
| Aggregate amount granted/ provided during the year | |
| Others (Employees) | Rs. 1,326.40 lakhs |
| Balance outstanding as at balance sheet date in respect of above cases | |
| Others (employees) | Rs. 990.21 lakhs |

- (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of all loans and advances in the nature of loans provided are not prejudicial to the Company's interest.

- (c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular during the year.

- (d) No amount is overdue in respect of loans and advances in the nature of loans.

- (e) In our opinion and according to the information and explanations given to us, neither loans or advances in nature of loans have been renewed or extended nor any fresh loans have been granted to settle the overdue of existing loans.

- (f) The Company has not granted any loans or advances in the nature of loans to Promoters/ Related Parties (as defined in section 2(76) of the Act which are either repayable on demand or without specifying any terms or period of repayment.

- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act with respect to the loans given, investments made, guarantees given and security provided.

Annexure A (Contd.)

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of services rendered by the Company.
- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and any other statutory dues have generally been regularly deposited by the Company to/with the appropriate authorities. The duty of customs and duty of excise is not applicable to the Company.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable. The duty of customs and duty of excise is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, we confirm that there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and any other statutory dues, which have not been deposited to/with the appropriate authority on account of any dispute. The duty of customs and duty of excise is not applicable to the Company.
- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks or in the payment of interest thereon to any lender. The Company has not obtained loans or borrowings from government and has not issued any debentures during the year
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not obtained any money by way of term loans during the year.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) According to the information and explanation given to us, the Company has completed and IPO of Equity shares of Rs. 5 each through and Offer for Sale (OFS). The proceeds for the OFS goes to the sellers of the shares and not to the Company, hence the utilization of funds by the Company is not applicable.
- (b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.

Annexure A (Contd.)

- xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
- (b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a CIC as defined in the regulations made by Reserve Bank of India.
- (d) The Group has no CIC as part of the Group.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. There are no amount unspent on the Corporate Social Responsibilities activities and hence this clause 3(xx) (a) and (b) of the Order are not applicable.
- xxi. There are no qualifications/ adverse remarks to report in the audit report of subsidiaries.

For **Khimji Kunverji and Co LLP**
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam Shah
Partner

ICAI Membership No: 117348
UDIN: 22117348AGXEAB1416

Place: Mumbai
Date: 12 April 2022

Annexure “B” to the Independent Auditors' report on the Standalone Financial Statements of Anand Rathi Wealth Limited {previously known as Anand Rathi Wealth Services Limited} for the year ended 31 March 2022

(Referred to in paragraph “17.6” under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

OPINION

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of Anand Rathi Wealth Limited {previously known as Anand Rathi Wealth Services Limited} (“the Company”) as at 31 March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the Guidance Note”).

Management’s responsibility for Internal Financial Controls

3. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s responsibility

4. Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing (“SA”), prescribed under section 143(10) of the Act, to

the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, 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 judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.
6. 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 with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

7. A company’s internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to the Standalone Financial Statements include 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 Standalone

Annexure B (Contd.)

Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with

reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Khimji Kunverji and Co LLP**

Chartered Accountants

Firm Registration Number: 105146W/W100621

Gautam Shah

Partner

ICAI Membership No: 117348

UDIN: 22117348AGXEAB1416

Place: Mumbai

Date: 12 April 2022

Ind AS Standalone Balance Sheet

As at March 31, 2022

| (₹ in Lakhs) | | | |
|--|-----------|----------------------|----------------------|
| Particulars | Notes No. | As at March 31, 2022 | As at March 31, 2021 |
| I ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 3 | 8,038.66 | 671.97 |
| Right-of-use Asset | 3 | 1,278.40 | 1,292.06 |
| Capital Work in Progress | 4 | - | 6,903.92 |
| Other Intangible assets | 5 | 11.89 | 39.43 |
| Financial Assets | | | |
| - Investments | 6(i) | 19,333.17 | 19,164.65 |
| - Other Financial assets | 7(i) | 417.51 | 426.89 |
| Deferred Tax Assets (Net) | 8 | 170.96 | 177.36 |
| Other Non Current Assets | 9 | 4,226.60 | 1,006.63 |
| Total Non-Current Assets | | 33,477.19 | 29,682.91 |
| Current Assets | | | |
| Financial Assets | | | |
| - Investments | 6(ii) | - | 267.84 |
| - Trade Receivables | 10 | 1,419.10 | 1,000.94 |
| - Cash and cash equivalents | 11 | 5,724.47 | 3,781.89 |
| - Other Financial Assets | 7(ii) | 8,808.80 | 1,344.43 |
| Other Current Assets | 12 | 692.82 | 137.00 |
| Total Current Assets | | 16,645.19 | 6,532.10 |
| TOTAL ASSETS | | 50,122.38 | 36,215.01 |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 13 | 2,080.81 | 1,375.68 |
| Other Equity | 14 | 35,977.99 | 26,601.23 |
| Total Equity | | 38,058.80 | 27,976.91 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| - Borrowings | 15(i) | 1,660.70 | 2,496.37 |
| - Lease Liability | 16(i) | 830.23 | 637.37 |
| Provisions | 20(i) | 185.63 | 95.54 |
| Total Non-Current Liabilities | | 2,676.56 | 3,229.28 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 15(ii) | 834.44 | 839.62 |
| - Lease Liability | 16(ii) | 561.27 | 781.37 |
| - Trade Payables | 17 | - | 8.15 |
| Total Outstanding dues of micro enterprises and small enterprises | | - | 8.35 |
| Total Outstanding dues of creditors other than micro enterprises and small enterprises | | - | 8.35 |
| - Other Financial Liabilities | 18 | 2,051.92 | 517.83 |
| Other Current Liabilities | 19 | 622.51 | 911.87 |
| Provisions | 20(ii) | 5,316.88 | 1,941.63 |
| Total Current Liabilities | | 9,387.02 | 5,008.82 |
| TOTAL EQUITY AND LIABILITIES | | 50,122.38 | 36,215.01 |
| Notes Forming Part of IND AS Standalone Financial Statements | 1-43 | | |

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of

Khimji Kunverji and Co LLP

Chartered Accountants

Registration No.:105146W/W100621

Anand Rathi

Chairman

and Non-Executive Director

DIN : 00112853

Rakesh Rawal

Chief Executive Officer

and Director

DIN : 02839168

Gautam V Shah

Partner

Membership No: 117348

Ashish Chauhan

Company Secretary

Rajesh Bhutara

Chief Financial Officer

Mumbai

Date: April 12, 2022

Ind AS Standalone Statement of Profit and Loss

For the year ended on March 31, 2022

(₹ in Lakhs)

| Particulars | Notes No. | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|-----------|-----------------------------------|-----------------------------------|
| I Revenue From Operations | 21 | 40,365.50 | 25,382.14 |
| II Other Income | 22 | 529.36 | 843.14 |
| Total Income | | 40,894.86 | 26,225.28 |
| III Expenses: | | | |
| Employee Benefit Expenses | 23 | 18,644.63 | 14,451.82 |
| Finance Costs | 24 | 200.98 | 274.77 |
| Depreciation and Amortisation Expenses | 3 & 5 | 1,073.10 | 1,239.13 |
| Other Expenses | 25 | 4,380.70 | 4,025.04 |
| Total Expenses | | 24,299.41 | 19,990.76 |
| IV Profit Before Tax | | 16,595.45 | 6,234.52 |
| V Tax Expenses: | 26 | | |
| 1. Current Tax | | 4,031.50 | 1,587.24 |
| 2. Prior Year Taxes | | 12.72 | 192.74 |
| 3. Deferred Tax | | 6.40 | 32.74 |
| Total Tax Expenses | | 4,050.62 | 1,812.72 |
| VI Profit for the year | | 12,544.83 | 4,421.80 |
| VII Other Comprehensive Income/(loss) | | | |
| (A) (i) Items that will be reclassified subsequently to profit or loss Exchange difference on translation from functional currency to presentation currency | | (9.31) | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | 2.34 | - |
| (B) (i) Items that will not be reclassified to Profit or Loss Remeasurements of the defined employee benefit plans | | 21.23 | 11.17 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (5.34) | (2.81) |
| Total Other comprehensive Income/(Loss) | | 8.92 | 8.36 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 12,553.75 | 4,430.16 |
| VIII Earning Per Equity Share of Face Value of ₹ 5 each | 30 | | |
| Basic | | 30.18 | 10.78 |
| Diluted | | 30.05 | 10.65 |
| Notes Forming Part of IND AS Standalone Financial Statements | 1-43 | | |

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of

Khimji Kunverji and Co LLP

Chartered Accountants

Registration No.:105146W/W100621

Gautam V Shah

Partner

Membership No: 117348

Mumbai

Date: April 12, 2022

Anand Rathi

Chairman

and Non-Executive Director

DIN : 00112853

Ashish Chauhan

Company Secretary

Rakesh Rawal

Chief Executive Officer

and Director

DIN : 02839168

Rajesh Bhutara

Chief Financial Officer

Ind AS Standalone Cash Flow Statement

For the year ended on March 31, 2022

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET PROFIT BEFORE TAX | 16,595.45 | 6,234.52 |
| Add/(Less) : | | |
| Depreciation and Amortisation | 1,073.10 | 1,239.13 |
| Interest Income | (196.78) | (312.14) |
| Finance Costs | 200.98 | 274.77 |
| Gain on Sale of Investments | (257.45) | (265.01) |
| Net Fair Value (Gain)/Loss on Financial instruments | (14.59) | (147.66) |
| Dividend | (0.82) | (0.63) |
| Stock Compensation Expenses | 291.02 | 647.93 |
| (Gain) or Loss on Sale of Fixed Assets/Asset written off | 4.20 | (0.17) |
| Gratuity | 205.02 | 106.70 |
| Leave | 89.26 | 47.17 |
| | 1,393.94 | 1,590.09 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 17,989.39 | 7,824.61 |
| Adjustment for : | | |
| Decrease/(Increase) in Other Financial Assets | (841.81) | 1,884.15 |
| Decrease/(Increase) in Trade Receivables | (418.16) | (201.74) |
| Decrease/(Increase) in Other Current Assets | (555.82) | 1,017.23 |
| (Decrease)/Increase in Trade Payables | (16.50) | (138.90) |
| (Decrease)/Increase in Other Financial Liabilities | 2,594.27 | (8,540.34) |
| (Decrease)/Increase in Provisions | 3,185.37 | (2,224.74) |
| (Decrease)/Increase in Other Current Liabilities | (289.36) | 391.90 |
| | 3,657.99 | (7,812.44) |
| CASH GENERATED FROM OPERATIONS | 21,647.38 | 12.17 |
| Add/(Less) : | | |
| Direct Taxes Paid (Net) | (6,949.21) | (2,362.64) |
| NET CASH (USED IN) FROM OPERATING ACTIVITIES | 14,698.17 | (2,350.47) |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Property Plant and Equipment | (1,512.97) | (406.23) |
| Proceeds from Sale of Property Plant and Equipment | 14.08 | 3.97 |
| (Loans Given)/Loans Repayment Received | - | 5,136.62 |
| Dividend received | 0.82 | 0.63 |
| Interest Received | 110.36 | 267.45 |
| Security Deposit (Given)/Received | (632.39) | 127.33 |
| Payments to acquire Investments | (2,59,305.16) | (28,242.63) |
| Proceeds on sale of Investments | 2,59,686.84 | 28,455.38 |
| Advance for Vehicle Purchase | (320.32) | (135.00) |
| Bank Deposits placed | (5,904.72) | (3.00) |
| NET CASH (USED IN)/FROM INVESTING ACTIVITIES | (7,863.46) | 5,204.52 |

Ind AS Standalone Cash Flow Statement

For the year ended on March 31, 2022

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Net Borrowings | (840.85) | (836.99) |
| Interest paid | (324.66) | (99.11) |
| Issue of Shares | 11.53 | 1,080.31 |
| Dividends paid | (2,774.41) | (687.84) |
| Repayment of Lease liabilities | (963.74) | (1,124.84) |
| NET CASH (USED IN)/FROM FINANCING ACTIVITIES | (4,892.13) | (1,668.47) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 1,942.58 | 1,185.58 |
| CASH AND CASH EQUIVALENTS - Opening Balance | 3,781.89 | 2,596.31 |
| CASH AND CASH EQUIVALENTS - Closing Balance | 5,724.47 | 3,781.89 |

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

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| - Cash in Hand | 7.53 | 1.29 |
| - Balance in Current Account | 716.94 | 980.60 |
| - Balance in Deposit Account (Maturity less than 3 Months) | 5,000.00 | 2,800.00 |
| Total | 5,724.47 | 3,781.89 |

Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 Statement of Cash flows.

As per our attached report of even date.

For and on Behalf of Board of Directors

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

Anand Rathi
Chairman
and Non-Executive Director
DIN : 00112853

Rakesh Rawal
Chief Executive Officer
and Director
DIN : 02839168

Gautam V Shah
Partner
Membership No: 117348

Ashish Chauhan
Company Secretary

Rajesh Bhutara
Chief Financial Officer

Mumbai
Date: April 12, 2022

Ind AS Standalone Statement of Changes in Equity

For the year ended on March 31, 2022

A. EQUITY SHARE CAPITAL

| (₹ in Lakhs) | | |
|---|--------------------|----------------|
| Particulars | Nos. | ₹ in Lakh |
| Equity shares of ₹ 5 each issued, subscribed and fully paid as at March 31, 2020 | 2,70,27,440 | 1351.37 |
| Shares issued for consideration of ₹ 5 each | 4,86,120 | 24.31 |
| Equity shares of ₹ 5 each issued, subscribed and fully paid as at March 31, 2021 | 2,75,13,560 | 1375.68 |
| Shares issued for consideration of ₹ 5 each | 2,30,580 | 11.53 |
| Shares issued as bonus | 1,38,72,087 | 693.60 |
| Equity shares of ₹ 5 each issued, subscribed and fully paid as at March 31, 2022 | 4,16,16,227 | 2080.81 |

B. OTHER EQUITY

| (₹ in Lakhs) | | | | | |
|--|----------------------|-------------------|---------------------------|----------------------------|--------------------|
| Particulars | Reserves and Surplus | | | Other Comprehensive Income | Total Other Equity |
| | Securities Premium | Retained Earnings | Share Options Outstanding | | |
| Balance as at April 1, 2020 | 2,521.71 | 18,768.87 | 3.30 | (138.90) | 21,154.98 |
| Profit for the year | - | 4,418.99 | - | - | 4,418.99 |
| Remeasurement of the net defined benefit liability/asset | - | - | - | 11.17 | 11.17 |
| Total | 2,521.71 | 23,187.86 | 3.30 | (127.73) | 25,585.15 |
| Addition in during the year | 1,267.77 | - | - | - | 1,267.77 |
| Total | 3,789.48 | 23,187.86 | 3.30 | (127.73) | 26,852.92 |
| Addition in Share Options during the year | - | - | 647.93 | - | 647.93 |
| Less : Utilisation during the year | - | - | (211.77) | - | (211.77) |
| Transfer on account of options not exercised | - | 0.21 | (0.21) | - | - |
| Less : Dividend Paid | - | (687.84) | - | - | (687.84) |
| Balance as at March 31, 2021 | 3,789.48 | 22,500.23 | 439.25 | (127.73) | 26,601.23 |
| Balance as at April 1, 2021 | 3,789.48 | 22,500.23 | 439.25 | (127.73) | 26,601.23 |
| Profit for the year | - | - | - | - | - |
| Remeasurement of the net defined benefit liability/asset | - | - | - | - | - |
| Total | 3,789.48 | 22,500.23 | 439.25 | (127.73) | 26,601.23 |
| Addition in during the year | 212.00 | 12,544.83 | - | 8.92 | 12,765.75 |
| Total | 4,001.48 | 35,045.06 | 439.25 | (118.81) | 39,366.98 |
| Addition in Share Options during the year | - | - | 291.02 | - | 291.02 |
| Less : Utilisation during the year | - | - | (212.00) | - | (212.00) |
| Less : Utilisation during the period for issue of Bonus | - | (693.60) | - | - | (693.60) |
| Transfer on account of options not exercised | - | 0.06 | (0.06) | - | - |
| Less : Dividend Paid | - | (2,774.41) | - | - | (2,774.41) |
| Balance as at March 31, 2022 | 4,001.48 | 31,577.11 | 518.21 | (118.81) | 35,977.99 |

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of

Khimji Kunverji and Co LLP

Chartered Accountants

Registration No.:105146W/W100621

Anand Rathi

Chairman

and Non-Executive Director

DIN : 00112853

Rakesh Rawal

Chief Executive Officer

and Director

DIN : 02839168

Gautam V Shah

Partner

Membership No: 117348

Ashish Chauhan

Company Secretary

Rajesh Bhutara

Chief Financial Officer

Mumbai

Date: April 12, 2022

Notes to Ind AS Standalone Financial Statements

For the year ended March 31, 2022 (Contd.)

1. CORPORATE INFORMATION

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

During the quarter ended December 31, 2021, the Company concluded an Initial Public Offering 'IPO' through offer for sale of 1,20,00,000 equity Shares by the existing shareholders at an offer price of ₹ 550 per share (employee discount of ₹ 25 per share for 2,50,000 shares reserved under employee category). The equity shares were allotted on December 9, 2021 and listed on National Stock Exchange of India Limited and BSE Limited on December 14, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These Ind AS Standalone Financial Statements for the year ended March 31, 2022 have been 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 Ind AS Standalone Financial Statements were approved for issue by the Board of Directors of the Company at their meeting held on April 12, 2022.

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an

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

The accounting policies adopted in the preparation of the Ind AS 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.

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act, as amended. The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

III to the Act as amended, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards. Amounts in the financial statements are presented in Indian Rupees in Lakh [1 Lakh = 1,00,000] rounded off to two decimal places as permitted by Schedule III to the Act as amended. Per share data are presented in Indian Rupees to two decimal places.

Functional and presentation of currency

The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency and all amounts are rounded to the nearest rupees in thousand; except when otherwise stated.

Foreign Currency Translation

The financial statements are presented in Indian currency (₹), which is the Company's presentation currency. It is necessary for the results and financial position of each individual entity included in the reporting entity to be translated into the currency in which the reporting entity presents its financial statements. As the reporting entity presents its financial statement in ₹, the Company's financial statements are translated into ₹.

Foreign currency transactions are translated into presentation currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in the foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVTOCI are recognised in other comprehensive income.

The financial statements are translated from functional currency to presentation currency by using the following procedures:

- (a) assets and liabilities for each balance sheet presented (i.e. including comparatives) shall be translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each statement of profit and loss presented (ie including comparatives) shall be translated at average exchange rates during the year; and
- (c) all resulting exchange differences shall be recognised in other comprehensive income.

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

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

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

- (i) Amortisation of Customer relationship cost: During 2016-17 Company has acquired Private Wealth Management business from Religare Wealth Management Limited, for which the Company has made payment which have been capitalised as Customer Relationship Cost. Company has amortised the payment over the period of 3 years.
- (ii) Depreciation/Amortisation and useful lives of property, plant and equipment: Company depreciate its tangible assets over the useful life of an Asset as prescribed under Part C of Schedule II of the Act. Company remeasure 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

Notes to Ind AS Standalone Financial Statements For the year ended March 31, 2022 (Contd.)

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

- (iv) Provisions: Provisions are recognised when there is a present obligation (legal or constructive) as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation. Management estimates it by using its best judgement of future cash outflow.
- (v) Taxes: The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. For matters where it is probable that an adjustment will be made, the Company records its best estimates of the tax liability in the current tax provision. The Management believes that it has adequately provided for the probable outcome of these matters.

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

- (vi) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and attrition rate. The discount

rate is determined by reference to market yields at the end of the reporting period on government securities.

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

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

(d) Current and Non-Current Classification

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

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

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

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 and Intangible Assets and Depreciation and 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 capitalised until such assets are ready for use.

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

| Fixed Assets | Useful Life |
|------------------------------|--------------------|
| Office Equipments | 5 years |
| Computer Equipments | |
| a. Server | 6 years |
| b. Other Computer Equipments | 3 years |
| Motor Car | 8 years |
| Furniture and Fixtures | 10 years |
| Building | 60 years |

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

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

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

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

(f) Financial Instruments

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

Initial Recognition :

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

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

- (i) *Classification and Measurement of Financial Assets*

Financial assets are classified as 'Amortised Cost', 'Fair Value through Profit and Loss' (FVTPL) and 'Fair Value through

Notes to Ind AS Standalone Financial Statements For the year ended March 31, 2022 (Contd.)

Other Comprehensive Income' (FVTOCI) in the following categories:

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

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

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

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

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

Effective Interest 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 40 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

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

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

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

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

(iv) Financial Liabilities:

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

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

(v) Derecognition of financial liabilities

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

(vi) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right and ability to offset the amounts and intends either to settle on a net basis or to realise 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 recognised in prior years is recorded when there is an indication that the impairment losses recognised 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

Notes to Ind AS Standalone Financial Statements For the year ended March 31, 2022 (Contd.)

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 capitalised 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 year in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowings.

(k) **Leases**

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

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

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments

made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

(l) **Employee Benefits**

Defined Contribution plan – Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as a part of retirement benefits to its employees. The contributions during the year are charged to statement of profit and loss. The Company recognises 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

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

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 recognised 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 year in which the employee renders the related service.

(m) Revenue Recognition

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.

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

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

1. Income related with Distribution income on Mutual Fund, PMS, Advisory activities, Referral fees, Consultancy, commission

Income and Marketing Support charges is accounted on accrual basis.

2. Dividend income is accounted for when the right to receive the Dividend income is established.
3. Difference between the sale price and the carrying value of investment is recognised as profit or loss on sale/redemption on investment on trade date of transaction. Carrying value of investments is determined based on first in first out value of investments sold.
4. Interest income is recognised on a time basis using the effective interest method.

(n) Taxes on Income

Current Tax: Provision for Income Tax is determined in accordance with the provisions of the Income Tax Act, 1961.

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

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

A deferred tax asset is recognised 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 recognised when there is a present obligation (legal or constructive) as a

Notes to Ind AS Standalone Financial Statements For the year ended March 31, 2022 (Contd.)

result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

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

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

Contingent Assets are neither recognised nor disclosed.

(p) Earnings per share

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

The Weighted average number of equity shares outstanding during the year is adjusted for events such as issue of shares, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), without a corresponding change in resources.

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 year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Cash Flow Statement

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

(r) Share Based payment Arrangements

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

(s) Rounding of amounts

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

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

3 PROPERTY, PLANT AND EQUIPMENT

| Description | (₹ in Lakhs) | | | | | | | | | |
|--|--------------|--------------------|------------------------|--------------------|----------|-------------------|------------------------|-----------|--|--|
| | Building | Right-of-Use Asset | Leasehold Improvements | Computer equipment | Vehicles | Office equipments | Furniture and Fixtures | Total | | |
| Gross Block April 1, 2021 | - | 3,070.37 | 52.36 | 567.73 | 164.43 | 70.15 | 303.01 | 4,228.05 | | |
| Additions | 7,144.47 | 829.70 | - | 152.87 | 135.35 | 14.44 | 140.05 | 8,416.88 | | |
| Disposals/Written off | - | - | - | 0.31 | 37.30 | - | - | 37.61 | | |
| Gross Block March 31, 2022 | 7,144.47 | 3,900.07 | 52.36 | 720.29 | 262.48 | 84.59 | 443.06 | 12,607.32 | | |
| Accumulated depreciation April 1, 2021 | - | 1,778.31 | 11.27 | 297.07 | 72.76 | 32.17 | 72.44 | 2,264.02 | | |
| Depreciation for the year | 9.30 | 843.36 | 4.97 | 123.00 | 18.00 | 14.79 | 32.14 | 1,045.56 | | |
| Less : Disposals/Written off | - | - | - | 0.26 | 19.06 | - | - | 19.32 | | |
| Accumulated depreciation March 31, 2022 | 9.30 | 2,621.67 | 16.24 | 419.81 | 71.70 | 46.96 | 104.58 | 3,290.26 | | |
| Net Carrying Amount March 31, 2022 | 7,135.17 | 1,278.40 | 36.12 | 300.48 | 190.78 | 37.63 | 338.48 | 9,317.06 | | |
| Description | Building | Right-of-Use Asset | Leasehold Improvements | Computer equipment | Vehicles | Office equipments | Furniture and Fixtures | Total | | |
| Gross Block April 1, 2020 | - | 3,443.50 | 52.36 | 539.18 | 164.43 | 64.87 | 302.39 | 4,566.73 | | |
| Additions | - | - | - | 34.49 | - | 5.28 | 1.12 | 40.89 | | |
| Disposals/Written off | - | 373.13 | - | 5.94 | - | - | 0.50 | 379.57 | | |
| Gross Block March 31, 2021 | - | 3,070.37 | 52.36 | 567.73 | 164.43 | 70.15 | 303.01 | 4,228.05 | | |
| Accumulated depreciation April 1, 2020 | - | 1,131.23 | 6.30 | 174.55 | 53.23 | 19.41 | 43.60 | 1,428.32 | | |
| Depreciation for the year | - | 1,009.92 | 4.97 | 128.17 | 19.53 | 12.76 | 28.88 | 1,204.23 | | |
| Less : Disposals/Written off | - | 362.84 | - | 5.65 | - | - | 0.04 | 368.53 | | |
| Accumulated depreciation March 31, 2021 | - | 1,778.31 | 11.27 | 297.07 | 72.76 | 32.17 | 72.44 | 2,264.02 | | |
| Net Carrying Amount March 31, 2021 | - | 1,292.06 | 41.09 | 270.66 | 91.67 | 37.98 | 230.57 | 1,964.03 | | |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

4. CAPITAL WORK IN PROGRESS

| (₹ in Lakhs) | | |
|-----------------------------|----------|----------|
| Description | Building | Total |
| As at April 1, 2021 | 6,903.92 | 6,903.92 |
| Additions | 240.55 | 240.55 |
| Disposals/Transfer | 7,144.47 | 7,144.47 |
| As at March 31, 2022 | - | - |

| (₹ in Lakhs) | | |
|-----------------------------|-----------------|-----------------|
| Description | Building | Total |
| As at April 1, 2020 | 6,538.58 | 6,538.58 |
| Additions | 365.34 | 365.34 |
| Disposals | - | - |
| As at March 31, 2021 | 6,903.92 | 6,903.92 |

Capital Work in Progress Ageing Schedule

| (₹ in Lakhs) | | | | | |
|-----------------------------|------------------|-----------------|-------------|-------------------|-----------------|
| Periods in Progress | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| As at March 31, 2022 | 285.72 | 6,821.24 | 0.00 | 0.00 | 7,106.96 |
| As at March 31, 2021 | 365.34 | 6,538.58 | 0.00 | 0.00 | 6,903.92 |

5. OTHER INTANGIBLE ASSETS

| (₹ in Lakhs) | | | |
|--|---------------|-----------------------|---------------|
| Description | Software | Customer Relationship | Total |
| Gross Block April 1, 2021 | 101.06 | 856.31 | 957.37 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Gross Block March 31, 2022 | 101.06 | 856.31 | 957.37 |
| Accumulated amortisation April 1, 2021 | 61.63 | 856.31 | 917.94 |
| Amortisation for the year | 27.54 | - | 27.54 |
| Disposals | - | - | - |
| Accumulated amortisation March 31, 2022 | 89.17 | 856.31 | 945.48 |
| Net Carrying Amount March 31, 2022 | 11.89 | - | 11.89 |

| (₹ in Lakhs) | | | |
|--|---------------|-----------------------|---------------|
| Description | Software | Customer Relationship | Total |
| Gross Block April 1, 2020 | 101.06 | 856.31 | 957.37 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Gross Block March 31, 2021 | 101.06 | 856.31 | 957.37 |
| Accumulated amortisation as at April 1, 2020 | 29.63 | 853.40 | 883.03 |
| Amortisation for the year | 32.00 | 2.91 | 34.91 |
| Disposals | - | - | - |
| Accumulated amortisation March 31, 2021 | 61.63 | 856.31 | 917.94 |
| Net Carrying Amount March 31, 2021 | 39.43 | - | 39.43 |

Notes to Ind AS Standalone Financial Statements
 For the year ended March 31, 2022 (Contd.)

6. INVESTMENTS

| Description | (₹ in Lakhs) | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| | Qty. in Nos. | Qty. in Nos. | Amount | Amount |
| (i) Investments - Non current | | | | |
| Un-Quoted - Fully Paid | | | | |
| Investment in Equity Shares of Subsidiaries at Cost | | | | |
| AR Digital Wealth Private Limited | 40,57,059 | 40,57,059 | 5,147.06 | 5,147.06 |
| Freedom Wealth Solutions Private Limited | 23,71,625 | 23,71,625 | 237.16 | 237.16 |
| Ffreedom Intermediary Infrastructure Private Limited* | 8,29,252 | 8,29,252 | 3,598.95 | 3,598.95 |
| Investment in Equity Shares of Other Companies at Fair Value through Profit and Loss | | | | |
| Anand Rathi Global Finance Limited* | 22,50,000 | 22,50,000 | 10,350.00 | 10,181.48 |
| | | | 19,333.17 | 19,164.65 |
| Aggregate amount of Un-quoted Investment | | | 19,333.17 | 19,164.65 |
| Aggregate provision made for unquoted Investment | | | - | - |

* During 2019-20, Company had purchased 8,29,252 shares of Ffreedom Intermediary Infrastructure Private Limited for consideration of ₹ 3598.95 Lakhs and 22,50,000 shares of Anand Rathi Global Finance Limited for consideration of ₹ 10125.00 Lakhs

| Description | (₹ in Lakhs) | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| | Qty. in Nos. | Qty. in Nos. | Amount | Amount |
| (ii) Investments - Current | | | | |
| Quoted | | | | |
| Investment in Mutual Fund | | | | |
| Franklin India Ultra Short Bond Fund - Super Institutional - Growth | | 41,405.24 | - | 12.31 |
| Franklin Low Duration Fund Growth Plan | | 13,182.28 | - | 3.06 |
| Franklin India Low Duration Fund - Direct - Growth | | 3,553.75 | - | 0.85 |
| Investment in PMS at Fair Value through Profit and Loss* | | | - | 156.07 |
| Unquoted | | | | |
| Investment in PMS at Fair Value through Profit and Loss* | | | - | 95.55 |
| | | | - | 267.84 |

* The amount represents Investment in Portfolio which is managed by Anand Rathi Advisors Limited - PMS and includes equity shares, mutual fund units, debentures and other investments.

| | | |
|--|---|--------|
| Aggregate amount of Quoted Investment and market value thereof | - | 172.29 |
| Aggregate amount of Un-quoted Investment | - | 95.55 |

7. OTHER FINANCIAL ASSETS

| Particulars | (₹ in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (i) Other Financial Assets - Non current | | |
| Fixed Deposit with Bank (Lien against Bank Overdraft) | 199.00 | 202.00 |
| Staff Advances | - | 21.20 |
| Security Deposit | 218.51 | 203.69 |
| | 417.51 | 426.89 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (ii) Other Financial Assets - Current | | |
| Accrued Interest | 88.67 | 25.32 |
| Fixed Deposit with Bank (Lien against Bank Overdraft and Bank Guarantee) | 6,257.72 | 350.00 |
| Securities Held as Stock in trade | | |
| Un-Quoted - Fully Paid up | | |
| Debentures at Fair Value through Profit and Loss | | |
| - In Anand Rathi Global Finance Limited | 693.58 | 836.19 |
| - In Edelweiss Broking Limited | 23.11 | - |
| Other Receivables | 2.85 | - |
| Staff Advances | 990.21 | 20.89 |
| Security Deposit | 752.66 | 112.03 |
| | 8,808.80 | 1,344.43 |
| Aggregate amount of Quoted Securities and market value thereof | - | - |
| Aggregate amount of Un-quoted Debentures | 716.69 | 836.19 |
| Aggregate provision made for unquoted Securities | - | - |

8. DEFERRED TAX ASSETS/(LIABILITIES)

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Depreciation | (6.43) | 50.02 |
| Long Term Capital Loss | 9.86 | 9.86 |
| Leave Provision | 110.71 | 88.25 |
| Fair Valuation of Financial Instruments | (4.79) | (31.68) |
| Impact on recognition of Right-of-Use Asset and Lease Liability | 61.61 | 60.91 |
| | 170.96 | 177.36 |

9. OTHER NON CURRENT ASSETS

| Particulars | (₹ in Lakhs) | |
|-------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Advance Tax (Net of Provision) | 3,771.28 | 871.63 |
| Capital Advances (Refer Note No.36) | 455.32 | 135.00 |
| | 4,226.60 | 1,006.63 |

10. TRADE RECEIVABLES

| Particulars | (₹ in Lakhs) | |
|------------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (Unsecured, Considered good) | | |
| Trade Receivables | 1,419.10 | 1,000.94 |
| Refer Note No.40(i) | | |
| | 1,419.10 | 1,000.94 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

Trade Receivables ageing schedule

As at March 31, 2022

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
| | Unbilled | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 1,412.90 | 6.20 | - | - | - | - | 1,419.10 |
| (ii) Undisputed Trade receivables – which have significant increase in Credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in Credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables credit impaired | - | - | - | - | - | - | - |
| Total | 1,412.90 | 6.20 | - | - | - | - | 1,419.10 |

As at March 31, 2021

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
| | Unbilled | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 977.01 | 23.93 | - | - | - | - | 1,000.94 |
| (ii) Undisputed Trade receivables – which have significant increase in Credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in Credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables credit impaired | - | - | - | - | - | - | - |
| Total | 977.01 | 23.93 | - | - | - | - | 1,000.94 |

11. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Balances with Banks | | |
| - in Current Accounts | 716.94 | 980.60 |
| - in Deposit Accounts (Maturity less than 3 Months) | 5,000.00 | 2,800.00 |
| Cash in Hand | 7.53 | 1.29 |
| | 5,724.47 | 3,781.89 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

12. OTHER CURRENT ASSETS

| Particulars | (₹ in Lakhs) | |
|------------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (Unsecured, Considered good) | | |
| Prepaid Expenses | 224.59 | 69.76 |
| Input Tax Credit Receivable | 211.54 | 28.44 |
| TCS Recoverable | 49.78 | 35.48 |
| Other Receivables | 21.24 | 0.85 |
| Advance to Others | 185.67 | 2.47 |
| | 692.82 | 137.00 |

13. EQUITY SHARE CAPITAL

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Authorised | | |
| 5,00,00,000 (2020-21 - 4,00,00,000 Equity Shares of ₹ 5/-each) Equity Shares of ₹ 5/-each | 2,500.00 | 2,000.00 |
| | 2,500.00 | 2,000.00 |
| Issued, Subscribed and Paid Up | | |
| 4,16,16,227 (2020-21 - 2,75,13,560 Equity Shares of ₹ 5/-each) Equity Shares of ₹ 5/-each Fully Paid Up | 2,080.81 | 1,375.68 |
| | 2,080.81 | 1,375.68 |

(i) Reconciliation for No. of shares outstanding as on reporting date

| Equity Shares | April 2021 to March 2022 | | April 2020 to March 2021 | |
|---|--------------------------|-----------------|--------------------------|-----------------|
| | No. of Shares | (₹ in Lakhs) | No. of Shares | (₹ in Lakhs) |
| Shares outstanding at the beginning of the year | 2,75,13,560 | 1,375.68 | 2,70,27,440 | 1,351.37 |
| Shares Issued during the year for consideration of ₹ 5 each | 2,30,580 | 11.53 | 4,86,120 | 24.31 |
| Shares Issued during the year as bonus | 1,38,72,087 | 693.60 | - | - |
| Shares outstanding as on year end | 4,16,16,227 | 2,080.81 | 2,75,13,560 | 1,375.68 |

The face value of equity shares of the holding Company has been subdivided from ₹ 10 per equity share to ₹ 5 per equity share vide approval of shareholders in extraordinary general meeting held on August 14, 2018.

(ii) Terms/Rights attached to the Equity Shares

Equity Shares

The holding Company has only one class of shares referred to as Equity Shares having a face value of ₹ 5 per share. Each holder of equity share is entitled to one vote per share. The holding Company declares and pays dividends in Indian Rupee. The dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2022, final dividend of 2020-21 of ₹ 2.5 per share and interim dividend of 2021-22 of ₹ 5 per share has been paid and recognised as distribution to equity shareholders.

In the event of Liquidation of the holding Company, the holders of equity shares will be entitled to receive remaining assets of the holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

(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, 2022 | | As at March 31, 2021 | |
|--|----------------------|---------------|----------------------|---------------|
| | No. of shares held | % of Holdings | No. of shares held | % of Holdings |
| Anand Rathi Financial Services Limited | 86,61,123 | 20.81 | 1,19,64,082 | 43.48 |
| Anand Rathi | 49,71,390 | 11.95 | 36,58,260 | 13.30 |
| Pradeep Kumar Gupta | 19,02,012 | 4.57 | 15,10,508 | 5.49 |

(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, 2022 | 1,38,72,087 | - | - |
| March 31, 2021 | - | - | - |
| March 31, 2020 | - | - | - |
| March 31, 2019 | - | - | - |
| March 31, 2018 | - | - | - |
| March 31, 2017 | - | - | - |

(v) Shares held by promoters

As at March 31, 2022

| Name of the Promoter | No. of Shares | % of Total Shares | % Change during the year* |
|--|---------------|-------------------|---------------------------|
| Anand Rathi Financial Services Limited | 86,61,123 | 20.81 | (22.67) |
| Anand Rathi | 49,71,390 | 11.95 | (1.35) |
| Pradeep Kumar Gupta | 19,02,012 | 4.57 | (0.92) |

As at March 31, 2021

| Name of the Promoter | No. of Shares | % of Total Shares | % Change during the year* |
|--|---------------|-------------------|---------------------------|
| Anand Rathi Financial Services Limited | 1,19,64,082 | 43.48 | (0.79) |
| Anand Rathi | 36,58,260 | 13.30 | (0.24) |
| Pradeep Kumar Gupta | 15,10,508 | 5.49 | (0.10) |

(vi) 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. 31

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

14. OTHER EQUITY

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (a) Securities Premium | | |
| Opening balance | 3,789.48 | 2,521.71 |
| Add: Addition during the year | 212.00 | 1,267.77 |
| Balance as at year end | 4,001.48 | 3,789.48 |
| (b) Share Options Outstanding Account | | |
| Opening Balance | 439.25 | 3.30 |
| Add: Addition during the year | 291.02 | 647.93 |
| Less : Transferred to Securities Premium | (212.00) | (211.77) |
| Less : Reversal during the year | (0.06) | (0.21) |
| Balance as at year end | 518.21 | 439.25 |
| (c) Retained Earnings | | |
| Opening Balance | 22,500.23 | 18,768.87 |
| Less: Utilised for Bonus Issue | (693.60) | - |
| Add: Profit during the year | 12,544.83 | 4,418.99 |
| Add : Reversal of ESOP | 0.06 | 0.21 |
| Less: Dividend Paid | (2,774.41) | (687.84) |
| Balance as at year end | 31,577.11 | 22,500.23 |
| (d) Other Comprehensive Income | | |
| Opening Balance | (127.73) | (138.90) |
| Remeasurement of defined employee benefit plan | 8.92 | 11.17 |
| Balance as at year end | (118.81) | (127.73) |
| TOTAL OTHER EQUITY | 35,977.99 | 26,601.23 |

Nature and Purpose of Reserves :

Securities Premium

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

Share Option Outstanding Account

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

Retained earnings

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

Other Comprehensive Income (OCI)

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

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

15. BORROWINGS

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (i) Borrowings - Non current | | |
| Term Loan - Loan against Property (Secured against 8th and 9th Floor (2nd and 3rd Office Floor), Block 'B' and 'C' of Wing E, Trade Link, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai) | 1,660.70 | 2,487.76 |
| Terms of repayment - Repayable in 5 Years (20 quarters), last instalment falling due on March 18, 2025 | | |
| The rate of interest will be I-MCLR 1 Year + Spread, determined at the date of disbursement and reset at end of every 12 months from the date of disbursement. | | |
| The Company has made regular repayment of principal and interest due over the year | | |
| Term Loan - Vehicle Loan (Secured against hypothecation of vehicle purchased) | - | 8.61 |
| Terms of repayment - Repayable in 36 to 60 equal monthly instalments, last instalment falling due on March 2, 2020 to March 3, 2023. | | |
| The rate of interest ranges between 8% to 11% p.a. | | |
| The Company has made regular repayment of principal and interest due over the year | | |
| | 1,660.70 | 2,496.37 |

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (ii) Borrowings - Current | | |
| Current Maturity of Secured Loan from Banks | | |
| Term Loan - Loan against Property | 827.04 | 825.07 |
| Term Loan - Vehicle Loan | 7.40 | 14.55 |
| | 834.44 | 839.62 |

16. LEASE LIABILITIES

| Particulars | (₹ in Lakhs) | |
|------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (i) Non Current | | |
| Lease Liability | 830.23 | 637.37 |
| | 830.23 | 637.37 |
| (ii) Current | | |
| Lease Liability | 561.27 | 781.37 |
| | 561.27 | 781.37 |

17. TRADE PAYABLES

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Total outstanding dues of micro, small and medium enterprises* | - | 8.15 |
| Total outstanding dues to other than micro, small and medium enterprises | - | 8.35 |
| | - | 16.50 |

*The above disclosure is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the Micro, Small and Medium Enterprise Development Act, 2006 (Refer Note - 37)

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

Trade Payables Ageing Schedule:

Trade payables as at March 31, 2022

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | - | - | - | - | - |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

Trade payables as at March 31, 2021

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 8.15 | - | - | - | 8.15 |
| (ii) Others | 8.35 | - | - | - | 8.35 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Other Financial Liabilities - Current | | |
| Accrued Salaries and Benefits | 27.09 | 43.31 |
| Provision for Expenses (Includes provision for Related Parties) | 450.51 | 272.13 |
| Advance from Customers | 1,574.32 | 202.39 |
| | 2,051.92 | 517.83 |

19. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------|----------------------|----------------------|
| Statutory Dues | 621.67 | 910.89 |
| Other Advances | - | 0.98 |
| Other Payables | 0.84 | - |
| | 622.51 | 911.87 |

20. PROVISIONS

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| (i) Employee Benefit Liabilities - Non Current | | |
| Gratuity Provision | 185.63 | 95.54 |
| | 185.63 | 95.54 |
| (ii) Employee Benefit Liabilities - Current | | |
| Leave Provision | 439.88 | 350.63 |
| Incentive Provision | 4,877.00 | 1,591.00 |
| | 5,316.88 | 1,941.63 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

21. REVENUE FROM OPERATIONS

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Mutual Fund Distribution Income | 14,774.44 | 8,645.28 |
| Income from Distribution and Sale of Financial Product | 25,591.06 | 16,736.86 |
| | 40,365.50 | 25,382.14 |

22. OTHER INCOME

| Particulars | (₹ in Lakhs) | |
|--------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Interest Income | 196.78 | 312.14 |
| Gain on sale of Investments | 257.45 | 314.74 |
| Dividend Received | 0.82 | 0.63 |
| Miscellaneous and Other Income | 74.31 | 215.63 |
| | 529.36 | 843.14 |

23. EMPLOYEE BENEFIT EXPENSES

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Salaries, Incentive and Allowances | 17,302.85 | 12,960.47 |
| Contribution to Provident and Other Funds | 945.75 | 783.53 |
| Share based Payments to Employees | 291.02 | 647.93 |
| Staff Welfare Expenses | 105.01 | 59.89 |
| | 18,644.63 | 14,451.82 |

The Company is recognising 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.

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.

| Amounts recognised in the Balance Sheet in respect of gratuity: | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Present value of the funded defined benefit obligation at the end of the year | 788.38 | 700.34 |
| Less: Fair value of plan assets | 692.66 | 604.81 |
| Net Liability/(Asset) | 95.72 | 95.53 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Amounts recognised in Salary, Wages and Employee Benefits in the Statement of Profit and Loss in respect of gratuity: | | |
| Current Service cost | 112.78 | 95.80 |
| Interest on Defined Benefit Obligations | 45.91 | 37.09 |
| Expected return on plan assets | (41.73) | (26.18) |
| Past Service Cost – Vested Benefit recognised during the year | - | - |
| Net Gratuity Cost | 116.96 | 106.71 |
| Amount recognised in Other Comprehensive Income (OCI) | - | - |
| Amount recognised in OCI in beginning of the year | 127.72 | 138.89 |
| Remeasurement due to: | | |
| Effect of Change in financial assumptions | (32.40) | 20.46 |
| Effect of Change in demographic assumptions | - | - |
| Effect of experience adjustments | 34.62 | 48.40 |
| Actuarial (Gains)/Losses | 2.22 | 68.86 |
| Less : Return on plan assets (excluding interest) | 23.45 | 80.03 |
| Total remeasurements recognised in OCI | (21.23) | (11.17) |
| Amount recognised in OCI, End of year | 106.49 | 127.72 |
| Actual Return on Plan Assets : | | |
| Expected Return on Plan Assets | 41.73 | 26.18 |
| Actuarial gain/(loss) on Plan Assets | 23.45 | 80.03 |
| Actual Return on Plan Assets | 65.18 | 106.21 |
| 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 | 700.34 | 582.42 |
| Current Service Cost | 112.78 | 95.80 |
| Interest Cost | 45.91 | 37.09 |
| Liability Transferred out | - | - |
| Actuarial (Gain)/loss | 2.22 | 68.86 |
| Benefits Paid | (72.87) | (83.83) |
| Past Service Cost | - | - |
| Closing Defined Benefit Obligation | 788.38 | 700.34 |
| Change in fair value plan assets: | | |
| Opening Fair Value of the plan assets | 604.81 | 396.70 |
| Expected return on plan assets | 41.73 | 26.18 |
| Actual Enterprise's Contribution | 95.54 | 185.73 |
| Actual Benefits Paid | (72.87) | (83.83) |
| Actuarial Gain/(loss) | 23.45 | 80.03 |
| Closing Fair value of the plan assets | 692.66 | 604.81 |
| Investment details of plan assets | | |
| Government of India Securities | - | - |
| Corporate Bonds | - | - |
| Special Deposit Scheme | - | - |
| Insurer Managed Fund | 100% | 100% |
| Others | - | - |
| Total | 100% | 100% |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

| | (₹ in Lakhs) | |
|---|--|--|
| Experience Adjustment | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Defined Benefit Obligation | 788.38 | 700.34 |
| Plan Assets | 692.66 | 604.81 |
| (Surplus)/deficit | 95.72 | 95.53 |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | 2.22 | 68.86 |
| Actuarial Gains/(Losses) on Plan Assets - Due to Experience | 23.45 | 80.03 |
| Weighted average duration of Define benefit obligation | 13.81 Yrs | 14.26 Yrs |
| Maturity profile of defined benefit obligation | | |
| Within next 12 months | 71.40 | 69.90 |
| Between 1 and 5 Years | 144.30 | 116.89 |
| Between 5 and 10 Years | 237.41 | 237.80 |

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

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

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

Discount Rate:

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

For valuation as at March 31, 2022 the estimated term of liabilities is 13.81 years, corresponding to which YTM on government bonds is 7.25%, 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 organisation.

Mortality Rate

It is based on Indian Assured Lives Mortality (2012-14) Ult. as issued by Institute of Actuaries of India for the actuarial valuation.

General Description fair value of the plan:

The Company has insurer Managed Fund.

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

| | (₹ in Lakhs) | |
|---|---|---|
| Principal Actuarial Assumptions: | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Discount rate | 7.25% | 6.90% |
| Salary Escalation Rate | 5.00% | 5.00% |
| Attrition Rate | For Service 4 yrs. & Below 20.00 % p.a. & service 4 yrs. and above 2.00 % p.a. | For Service 4 yrs. & Below 20.00 % p.a. & service 4 yrs. and above 2.00 % p.a. |
| Mortality Table | Indian Assured Lives Mortality (2012-14) Ult. | Indian Assured Lives Mortality (2012-14) Ult. |
| Retirement Age | 60 years | 60 years |

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 recognised 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.

| | (₹ in Lakhs) | |
|--|--|--|
| Principal Actuarial Assumptions: | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Defined Benefit Obligation (Base) | 788.38 | 700.34 |
| Discount Rate | | |
| Increase by 50 bps | 745.31 | 661.68 |
| Impact of increase by 50 bps in Percentage | (5.46%) | (5.52%) |
| Decrease by 50 bps | 835.28 | 742.52 |
| Impact of decrease by 50 bps in Percentage | 5.95% | 6.02% |
| Salary Growth Rate | | |
| Increase by 50 bps | 805.33 | 713.77 |
| Impact of increase by 50 bps in Percentage | 2.15% | 1.92% |
| Decrease by 50 bps | 774.47 | 687.81 |
| Impact of decrease by 50 bps in Percentage | (1.76%) | (1.79%) |
| Expected contribution for the next financial year | 71.40 | 69.90 |
| Weighted Average duration | 13.81 | 14.26 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

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.

For Representative Office at Dubai

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 Company and is in accordance with the Rules of the Company for payment of gratuity.

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.

| (AED in Lakhs) | | |
|---|--|--|
| Amounts recognised in the Balance Sheet in respect of gratuity (funded by the Company): | As at March 31, 2022 | As at March 31, 2021 |
| Present value of the funded defined benefit obligation at the end of the year | 4.35 | 0.00 |
| Less: Fair value of plan assets | 0.00 | 0.00 |
| Net Liability/(Asset) | 4.35 | 0.00 |
| Amounts recognised in Salary, Wages and Employee Benefits in the Profit and Loss Account in respect of gratuity (funded by the Company): | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Current Service cost | 4.35 | - |
| Interest on Defined Benefit Obligations | - | - |
| Expected return on plan assets | - | - |
| Past Service Cost – Vested Benefit recognised during the year | - | - |
| Net Gratuity Cost | 4.35 | - |
| Experience Adjustment | | |
| Defined Benefit Obligation | 4.35 | - |
| Plan Assets | - | - |
| (Surplus)/deficit | 4.35 | - |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | - | - |
| Actuarial Gains/(Losses) on Plan Assets - Due to Experience | - | - |
| Weighted average duration of Define benefit obligation | 14.32 Yrs | - |
| Maturity profile of defined benefit obligation | | |
| Within next 12 months | 0.11 | 0.00 |
| Between 1 and 5 Years | 0.43 | 0.00 |
| Between 5 and 10 Years | 0.58 | 0.00 |

Notes to Ind AS Standalone Financial Statements For the year ended March 31, 2022 (Contd.)

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

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

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

Discount Rate:

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

For valuation as at March 31, 2022 the estimated term of liabilities is 14.32 years, corresponding to which YTM on Dubai bonds is 3.70%.

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 organisation.

Mortality Rate

It is based on Indian Assured Lives Mortality (2012-14) Ult. as issued by Institute of Actuaries of India for the actuarial valuation.

General Description fair value of the plan:

The Company has insurer Managed Fund.

| Principal Actuarial Assumptions: | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|----------------------------------|---|--------------------------------------|
| Discount rate | 3.70% | 0.00% |
| Salary Escalation Rate | 5.00% | 0.00% |
| Attrition Rate | For Service 4 yrs. & Below 20.00 % p.a. & service 4 yrs. and above 2.00 % p.a. | - |
| Mortality Table | Indian Assured Lives Mortality (2012-14) Ult. | - |
| Retirement Age | 60 years | - |

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 recognised 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.

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Defined Benefit Obligation (Base) | 4.35 | 0.00 |
| Discount Rate | | |
| Increase by 50 bps DBO | 3.99 | 0.00 |
| Impact of increase by 50 bps in Percentage | (8.18%) | 0.00% |
| Decrease by 50 bps DBO | 4.75 | 0.00 |
| Impact of decrease by 50 bps in Percentage | 9.11% | 0.00% |
| Salary Growth Rate | | |
| Increase by 50 bps DBO | 4.74 | 0.00 |
| Impact of increase by 50 bps in Percentage | 8.95% | 0.00% |
| Decrease by 50 bps DBO | 4.00 | 0.00 |
| Impact of decrease by 50 bps in Percentage | (8.12%) | 0.00% |
| Expected contribution for the next financial year | 0.00 | 0.00 |
| Weighted Average duration | 14.32 | - |

B Defined Contribution Plans

Amount recognised as an expense under the head "Contribution to Provident and other Funds in Note 23 "Employee Benefit Expenses" of Statement of Profit and Loss towards Company's Contribution to Provident Fund is ₹ 738.64 Lakhs (2020-21 ₹ 676.46 Lakhs).

- C** The Code on Social Security, 2020 ('Code'), relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

24. FINANCE COSTS

| Particulars | (₹ in Lakhs) | |
|------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Interest Expense | 200.98 | 274.77 |
| | 200.98 | 274.77 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

25. OTHER EXPENSES

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Business Support Charges (Refer Note No.42) | 447.24 | 986.53 |
| Data Processing and IT enabled services | 631.46 | 650.53 |
| Legal and Professional Charges | 172.32 | 139.34 |
| Director Sitting Fees | 19.75 | 9.75 |
| Electricity Expenses | 79.39 | 63.36 |
| Communication Expenses | 134.55 | 143.26 |
| Printing and Stationery | 118.07 | 114.10 |
| Postage and Telegram | 39.78 | 20.56 |
| Rent, Rates and Taxes | 513.92 | 91.78 |
| Repairs and Maintenance | 75.39 | 88.17 |
| Recruitment and Training | 133.21 | 94.32 |
| Business Promotion and Marketing Expenses | 604.66 | 272.15 |
| Computer and Software Maintenance Charges | 97.27 | 64.60 |
| Client Claim | 93.32 | 96.45 |
| Travelling and Conveyance Expenses | 215.00 | 132.80 |
| Insurance Charges | 55.91 | 68.44 |
| Office Expenses | 157.54 | 131.12 |
| Brand Charges | 199.01 | 126.91 |
| Payment to Auditors | | |
| Audit Fees | 45.75 | 6.75 |
| Reimbursement | 0.40 | - |
| Tax Audit fees | 0.75 | 0.75 |
| Others Services/Certification | 0.61 | 0.60 |
| Donation | 110.20 | 105.85 |
| CSR Expenses | 191.72 | 178.78 |
| Transaction Charges | - | 157.38 |
| Miscellaneous and General Expenses | 243.48 | 280.76 |
| | 4,380.70 | 4,025.04 |

26. INCOME TAX EXPENSES

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Current Tax | | |
| Current tax on profit for the year | 4,031.50 | 1,587.24 |
| Adjustments for current tax of prior years | 12.72 | 192.74 |
| Total Current tax expenses | 4,044.22 | 1,779.98 |
| Deferred Tax | | |
| Decrease/(Increase) in deferred tax assets | 6.40 | 32.74 |
| (Decrease)/Increase in deferred tax liabilities | - | - |
| Total deferred tax expenses/benefit | 6.40 | 32.74 |
| Total Income Tax Expenses | 4,050.62 | 1,812.72 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

Effective Tax Rate Reconciliation

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Applicable Tax Rate (%) | 25.17 | 25.17 |
| Profit before tax | 16,595.45 | 6,234.52 |
| Tax Expenses as per above rate | 4,176.74 | 1,569.10 |
| Tax Impact Due to: | | |
| Expenses Disallowed | 76.50 | 73.40 |
| Exempt Income | (6.01) | (8.84) |
| Deductions u/s 80G | - | (13.29) |
| On Account of Previous Year Adjustments | (172.98) | 192.67 |
| Others | (23.63) | (0.32) |
| Total Tax Expenses | 4,050.62 | 1,812.72 |
| Effective Tax Rate % | 24.41 | 29.08 |

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

27. OPERATING SEGMENTS

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

28 LEASES - Ind AS 116

The incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 9.30% and as at April 1, 2021 is 8.45%.

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

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

Following is the information pertaining to leases :

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| (a) Depreciation Charge for Right-of-Use Asset | 843.36 | 1,009.92 |
| (b) Interest Expense on Lease Liability | 123.19 | 174.95 |
| (c) Expense relating to short term leases accounted in profit and loss | 291.12 | 72.81 |
| (d) Total Cash Outflow for Leases for the year (includes expense relating to short term lease and rent expense recognised) | 963.74 | 1,109.38 |
| (e) Additions to Right-of-Use Asset | 829.70 | - |
| (f) Deletions from Right-of-Use Asset (Gross Block) | - | 373.13 |
| (g) Deletions from Right-of-Use Asset (Provision for Depreciation) | - | 362.84 |
| (h) Carrying Amount of Right-of-Use Asset | 1,278.40 | 1,292.06 |

During 2020-21 the Company had applied Paragraph 46A of Ind AS 116 - Leases as amended by exposure draft on Covid - 19 related Rent Concessions. An amount of ₹. 88.28 Lakhs is recognised in profit or loss for 2020-21 in relation to the rent concessions received.

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

Maturity Analysis of Lease Liabilities (on Undiscounted basis):

| Due | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Not later than 1 year | 656.91 | 871.52 |
| Later than 1 year and not later than 5 years | 911.23 | 684.57 |
| Later than 5 years | - | - |
| Total | 1,568.14 | 1,556.09 |

29. RELATED PARTY DISCLOSURE

(a) List of Related Parties

(i) Subsidiary Companies

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

(ii) Entity of which the Company is an Associate

Anand Rathi Financial Services Limited

(iii) Key Managerial Persons (KMP)

Amit Rathi, Managing Director (upto July 16, 2021)
Rakesh Rawal, CEO and Director
Rajesh Bhutara, CFO
Ashish Chauhan, Company Secretary

(iv) Other Related Parties with whom there were transactions

Anand Rathi Global Finance Limited
Anand Rathi Share and Stock Brokers Limited
Anand Rathi Insurance Brokers Limited
Anand Rathi Advisors Limited (Subsidiary of Anand Rathi Global Finance Limited)

(v) Other Related Parties with whom there were no transactions

Anand Rathi Commodities Limited
Anand Rathi International Ventures (IFSC) Private Limited (Subsidiary of Anand Rathi Share and Stock Brokers Limited)
Anand Rathi Housing Finance Limited (Subsidiary of Anand Rathi Global Finance Limited)

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

| Nature of Transaction/Relationship | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| (i) Loan Given | | |
| Subsidiary | - | 142.00 |
| Other Related Parties | - | 1,39,508.00 |
| (ii) Loan Repayment Received | | |
| Subsidiary | - | 142.00 |
| Other Related Parties | - | 1,44,584.31 |
| (iii) Loan Taken | | |
| Entity of which the Company is an Associate | 31,580.00 | 1,44,467.00 |
| Other Related Parties | 11,167.00 | 18,012.50 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

| | | (₹ in Lakhs) | |
|------------------------------------|---|--------------------------------------|--------------------------------------|
| Nature of Transaction/Relationship | | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| (iv) | Loan Repaid | | |
| | Entity of which the Company is an Associate | 31,580.00 | 1,44,467.00 |
| | Other Related Parties | 11,167.00 | 18,012.50 |
| (v) | Purchase of Debentures | | |
| | Entity of which the Company is an Associate | 1,861.32 | - |
| | Subsidiary | 827.76 | - |
| | Other Related Parties | 2,21,193.34 | 2,69,123.63 |
| (vi) | Sale of Debentures | | |
| | Entity of which the Company is an Associate | 1,860.43 | - |
| | Subsidiary | 1,748.45 | 414.04 |
| | Other Related Parties | 4,304.90 | - |
| (vii) | Support Services Given | | |
| | Subsidiary | - | 7.84 |
| | Other Related Parties | 36.30 | 97.11 |
| (viii) | Support Services Taken | | |
| | Subsidiary | 5.47 | 38.23 |
| | Entity of which the Company is an Associate | 493.38 | 804.26 |
| | Other Related Parties | 241.30 | 483.66 |
| (ix) | Brokerage Expenses | | |
| | Other Related Parties | - | 15.57 |
| (x) | Interest Income | | |
| | Subsidiary | - | - |
| | Entity of which the Company is an Associate | - | 0.22 |
| | Other Related Parties | - | 221.14 |
| (xi) | Interest Expense | | |
| | Entity of which the Company is an Associate | 25.63 | 59.31 |
| | Other Related Parties | 11.89 | 20.00 |
| (xii) | Rent Expense | | |
| | Entity of which the Company is an Associate | 14.40 | 14.40 |
| | Other Related Parties | 2.40 | 2.40 |
| (xiii) | Brand Charges | | |
| | Entity of which the Company is an Associate | 200.13 | 126.91 |
| (xiv) | Rent Income | | |
| | Other Related Parties | 0.45 | 0.60 |
| (xv) | Referral fees Income | | |
| | Subsidiary | - | 60.23 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

| Nature of Transaction/Relationship | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| (xvi) Referral fees Expense | | |
| Subsidiary | 31.31 | - |
| (xvii) Demat Charges | | |
| Other Related Parties | - | 21.22 |
| (xviii) Remuneration paid to KMP | | |
| Short Term Employee Benefits | 642.88 | 734.51 |
| Share Based Payments | - | 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.

(c) Outstanding Balances

| Particulars | (₹ in Lakhs) | |
|------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| (i) Other Receivables | | |
| Other Related Parties | - | 4.44 |

Note 1: Terms of Loan Given to related parties

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

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

30. EARNING PER SHARE

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Net Profit after tax | 12,544.83 | 4,421.80 |
| Number of equity shares | 4,16,16,227 | 4,12,70,340 |
| Face Value Per Share (in ₹) | 5 | 5 |
| Weighted Average number of equity shares | 4,15,69,351 | 4,10,35,613 |
| Diluted Weighted Average number of equity shares | 4,17,43,293 | 4,15,37,775 |
| Earnings Per Share (in ₹) | | |
| – Basic | 30.18 | 10.78 |
| – Diluted | 30.05 | 10.65 |

* Adjusted for the effect of bonus shares issued in 2021-22.

31. SHARE BASED PAYMENTS

Employees Share Option Plans

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

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

ESOP Scheme 2017

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

The details of options are as under:

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Outstanding at the beginning of the year | 91,350 | 1,87,860 |
| Add: Granted during the year | - | - |
| Less: Exercised and shares allotted during the year | 89,280 | 87,000 |
| Less: Exercised but pending allotment | - | - |
| Less: Forfeited/cancelled during the year | - | - |
| Less: Lapsed during the year | 2,070 | 9,510 |
| Outstanding as at the end of the year | - | 91,350 |
| Exercisable at the end of the year | - | - |

Fair Value of Options granted

The estimated fair value of each stock option granted is 2.82 as on January 1, 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 per option, Standard Deviation of 52.44%, life of option being 6 months from date of grant, and a risk-free interest rate of 6.51%.

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

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

| Options Granted (in Nos.) | Vesting Date |
|---------------------------|-------------------|
| 52,740 | December 31, 2017 |
| 11,260 | March 31, 2018 |
| 64,000 | December 31, 2018 |
| 96,000 | December 31, 2019 |
| 96,000 | December 31, 2020 |

ESOP Scheme 2018

During 2018-19, the Board had approved the Policy and the no. of options to be granted to the Employees that will vest in a graded manner and which can be exercised within a specified period. The Board has approved 2,60,100 options at an exercise price of ₹ 5/- per option to the employees. During the meeting held on June 14, 2021, the Board has approved 20,000 options at an exercise price of ₹ 5/- per option.

Notes to Ind AS Standalone Financial Statements

For the year ended March 31, 2022 (Contd.)

The details of options are as under:

| Particulars | For the year ended March 31, 2022 (Nos.) | For the year ended March 31, 2021 (Nos.) |
|---|--|--|
| Outstanding at the beginning of the year | 2,08,080 | 2,60,100 |
| Add: Granted during the year | 20,000 | - |
| Less: Exercised and shares allotted during the year | 52,020 | 52,020 |
| Less: Exercised but pending allotment | - | - |
| Less: Forfeited/cancelled during the year | - | - |
| Less: Lapsed during the year | - | - |
| Outstanding as at the end of the year | 1,76,060 | 2,08,080 |
| Exercisable at the end of the year | - | - |

Fair Value of Options granted

The estimated fair value of each stock option granted is 407 as on March 11, 2019. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer. The model inputs the share price at respective grant dates, exercise price of ₹ 5/- per option, Standard Deviation of 51.15%, life of option being 3 months from the date of grant, and a risk-free interest rate of 7.35%.

The options were approved by the Board on March 11, 2019 under ESOP 2018 and were communicated to employees on April 1, 2020. 20,000 options approved by the Board on June 14, 2021 under ESOP 2018 were communicated to the employees on June 14, 2021. ESOP 2018 has an exercise price of ₹ 5 per option, and would vest over the period as under:

| Options Granted (in Nos.) | Vesting Date |
|---------------------------|---------------|
| 52,020 | April 1, 2020 |
| 52,020 | April 1, 2021 |
| 72,020 | April 1, 2022 |
| 52,020 | April 1, 2023 |
| 52,020 | April 1, 2024 |

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

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Total Carrying Amount of ESOP Outstanding | 518.21 | 439.25 |
| Amount debited to Statement of Profit and Loss | 291.02 | 647.93 |

32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

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

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Details of corporate social responsibility expenditure | | |
| (a) amount required to be spent by the Company during the year | 191.82 | 178.04 |
| (b) amount of expenditure incurred | | |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 191.72 | 178.78 |
| (c) Surplus/(shortfall) at the end of the year | (0.10) | 0.74 |
| (d) total of previous years surplus/(shortfall) | 0.74 | - |
| (e) surplus carried forward as per proviso to section 135 (5) | 0.64 | 0.74 |
| (f) reason for shortfall during the year ended : | NA | NA |

Nature of CSR activities :

The Company has primarily spent the CSR expenditure for the purpose of promoting education and Medical. The expenditure incurred during the year has been recommended by the CSR Committee and approved by the board of directors.

33. CAPITAL MANAGEMENT

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

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

| Particulars | (₹ in Lakhs) | |
|--------------------------------------|------------------|------------------|
| | March 31, 2022 | March 31, 2021 |
| Equity | 2,080.81 | 1,375.68 |
| Other Equity | 35,977.99 | 26,601.23 |
| Total Equity (A) | 38,058.80 | 27,976.91 |
| Borrowings | 2,495.14 | 3,335.99 |
| Total Debt (B) | 2,495.14 | 3,335.99 |
| Total Debt and Equity (C=A+B) | 40,553.94 | 31,312.91 |
| Capital Gearing Ratio (B/C) | 0.062 | 0.107 |

Notes to Ind AS Standalone Financial Statements For the year ended March 31, 2022 (Contd.)

34. BUSINESS COMBINATIONS

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

AR Digital Wealth Private Limited (ARDWPL) is engaged in the business of Digital Wealth Management. The consideration paid for shares of ARDWPL in July 2016 is ₹ 252.00 Lakh, in March 2018 is ₹ 690.25 Lakh and in 2018-2019 is ₹ 4204.81 Lakh. The fair value per share for the aforesaid acquisitions is ₹ 10, ₹ 256 and ₹ 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 September 2017 is ₹ 237.16 Lakh. The fair value per share for the aforesaid acquisitions is ₹ 10.

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

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

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

| Name of Company | No. of Shares | % of Shares Acquired |
|---|---------------|----------------------|
| AR Digital Wealth Private Limited | | |
| July 13, 2016 | 25,20,000 | 60.30% |
| March 14, 2018 | 5,574 | 0.13% |
| March 16, 2018 | 1,70,246 | 4.07% |
| March 16, 2018 | 51,074 | 1.22% |
| March 16, 2018 | 39,157 | 0.94% |
| March 22, 2018 | 5,574 | 0.13% |
| May 3, 2018 | 58,361 | 1.40% |
| February 5, 2019 | 11,94,029 | 7.07% |
| March 27, 2019 | 13,044 | 0.24% |
| Freedom Wealth Solutions Private Limited | | |
| September 25, 2017 | 23,71,625 | 95.01% |
| Ffreedom Intermediary Infrastructure Private Limited | | |
| February 13, 2020 | 2,99,419 | 50.00% |
| March 31, 2020 | 2,99,418 | 36.11% |
| March 31, 2020 | 2,30,415 | 13.89% |

35. (a) The Company does not have any pending litigation which would impact its financial position.
- (b) 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 does not have any open derivative contracts at the reporting date.

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

36. CAPITAL COMMITMENTS

| (₹ in Lakhs) | | |
|--|----------------|----------------|
| Particulars | March 31, 2022 | March 31, 2021 |
| Capital commitment for furnishing of Trade Link Office, Lower Parel Mumbai | 387.97 | - |

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, 2022 and March 31, 2021 has been made in the Ind AS Standalone Financial Statements based on information received and available with the Company.

| (₹ in Lakhs) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| The principal amount remaining unpaid to any supplier at the end of each accounting year; | - | 8.35 |
| The interest due thereon remaining unpaid to any supplier at the end of each accounting year; | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| The amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| | - | 8.35 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

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.

(₹ in Lakhs)

| March 31, 2022 | Carrying Amount | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total Fair Value |
|---------------------------------------|--------------------|---|---|---|--------------------|
| Financial assets | | | | | |
| FVTPL | | | | | |
| (i) Mutual Fund | - | - | - | - | - |
| | (16.22) | (16.22) | - | - | (16.22) |
| (ii) Unquoted Debentures | 716.69 | - | - | 716.69 | 716.69 |
| | (836.19) | - | - | (836.19) | (836.19) |
| (iii) PMS | - | - | - | - | - |
| | (251.62) | (156.07) | - | (95.55) | (251.62) |
| (iv) Equity Shares of Other Companies | 10,350.00 | - | - | 10,350.00 | 10,350.00 |
| | (10,181.48) | - | - | (10,181.48) | (10,181.48) |
| Amortised Cost | | | | | |
| (i) Security Deposit | 971.17 | - | - | - | 971.17 |
| | (315.72) | - | - | - | (315.72) |
| (ii) Trade receivables | 1,419.10 | - | - | - | 1,419.10 |
| | (1,000.94) | - | - | - | (1,000.94) |
| (iii) Cash and cash equivalents | 5,724.47 | - | - | - | 5,724.47 |
| | (3,781.89) | - | - | - | (3,781.89) |
| (iv) Other Financial Assets | 7,538.45 | - | - | - | 7,538.45 |
| | (619.41) | - | - | - | (619.41) |
| | 26,719.88 | - | - | 11,066.69 | 26,719.88 |
| | (17,003.47) | (172.29) | - | (11,113.22) | (17,003.47) |

(₹ in Lakhs)

| March 31, 2022 | Carrying Amount | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total Fair Value |
|-----------------------------------|-------------------|---|---|---|-------------------|
| Financial liabilities | | | | | |
| Amortised Cost | | | | | |
| (i) Borrowings | 2,495.14 | - | - | - | 2,495.14 |
| | (3,335.99) | - | - | - | (3,335.99) |
| (ii) Trade payables | - | - | - | - | - |
| | (16.50) | - | - | - | (16.50) |
| (iii) Other Financial Liabilities | 2,051.92 | - | - | - | 2,051.92 |
| | (517.83) | - | - | - | (517.83) |
| (iv) Lease Liabilities | 1,391.50 | - | - | - | 1,391.50 |
| | (1,418.74) | - | - | - | (1,418.74) |
| | 5,938.56 | - | - | - | 5,938.56 |
| | (5,289.06) | - | - | - | (5,289.06) |

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

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

Valuation techniques used to determine the fair values:

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

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2022 and March 31, 2021.

| Particulars | Unquoted Debentures | PMS | Equity Shares in Other Companies |
|---|---------------------|----------|----------------------------------|
| Opening Balance as on April 01, 2021 | 836.19 | 95.55 | 10,181.48 |
| Acquisitions | 5,28,533.48 | - | - |
| Realised/unrealised Gains/(Losses) recognised | 25,400.55 | 86.99 | 168.52 |
| Realisations | 5,54,053.53 | 182.54 | - |
| Closing Balance as on March 31, 2022 | 716.69 | - | 10,350.00 |

| Particulars | Unquoted Debentures | PMS | Equity Shares in Other Companies |
|---|---------------------|--------------|----------------------------------|
| Opening Balance as on April 1, 2020 | 2,481.51 | 73.90 | 10,131.75 |
| Acquisitions | 4,57,753.05 | - | - |
| Realised/unrealised Gains/(Losses) recognised | 21,274.89 | 21.65 | 49.73 |
| Realisations | 4,80,673.25 | - | - |
| Closing Balance as on March 31, 2021 | 836.19 | 95.55 | 10,181.48 |

Sensitivity analysis of Level 3 instruments

| Nature of instrument | Fair Value as at March 31, 2022 | Significant unobservable inputs | Increase/decrease in the unobservable input | Sensitivity Impact for year ended March 31, 2022 for FV increase | Sensitivity Impact for year ended March 31, 2022 for FV decrease |
|--|---------------------------------|------------------------------------|---|--|--|
| (i) Unquoted Debentures | 716.69 | Impact estimated by the management | 5% | 35.83 | (35.83) |
| (ii) PMS | - | | 5% | - | - |
| (iii) Equity Shares of Other Companies | 10,350.00 | | 5% | 517.50 | (517.50) |

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

- 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.
- 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.

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

39. FINANCIAL RATIOS

Accounting classification and fair values

| Particulars | March 31, 2022 | March 31, 2021 | Remarks for variation of more than 25% |
|--------------------------------|----------------|----------------|---|
| 1. Current Ratio | 1.77 | 1.30 | During the year ended March 31, 2022 there has been increase in current assets mainly on account of increase in FDRs by ₹ 8104.72 Lakhs created out cash profits during the year and also increase in current liabilities on account of increase in incentive/bonus provision by ₹ 3286.00 Lakhs. |
| 2. Debt Equity Ratio | 0.07 | 0.12 | During the year ended March 31, 2022 there is an increase in total equity on account of profit during the year and also reduced debts due to repayment of term loans. |
| 3. Debt Service Coverage Ratio | 6.69 | 2.55 | During the year ended March 31, 2022 the total earnings available for Debt Service has increased on account of higher profit and also debts is reduced on account of repayment of term loans. |
| 4. Return on Equity Ratio | 37.99% | 17.52% | During the year ended March 31, 2022 the Profit after Tax has increased to ₹ 12544.85 Lakhs from ₹ 4418.99 Lakhs for the year ended March 31, 2021 |
| 5. Net capital turnover ratio | 5.56 | 16.66 | During the year ended March 31, 2022 there has been increase in turnover of ₹ 14983.353 Lakhs and also increase net working capital of ₹ 5214.34 Lakhs. |
| 6. Profit ratio | 31.08% | 17.42% | During the year ended March 31, 2022 profit after tax has increased by ₹ 8123.05 Lakhs which has resulted in improved profit ratio. |
| 7. Return on Capital Employed | 31.44% | 15.02% | During the year ended March 31, 2022 there is an increase in Earnings before tax of ₹ 8049.25 Lakhs. |

Explanations to items included in computing the above ratios

1. Current Ratio: Current Asset over Current Liabilities
2. Debt-Equity Ratio: Debt (includes Current and Non-Current Borrowings excluding lease liabilities) over total share holders equity (Includes average of opening and closing equity capital and other equity).
3. Debt Service Coverage Ratio: Earnings available for debt service (includes profit after tax, depreciation and finance cost) over debt service (includes interest on borrowings - car loan and property loan, principal repayment made and lease payments).
4. Return on Equity Ratio: Profit After Tax over Equity (includes average of opening and closing equity capital and other equity).
5. Net capital turnover ratio: Revenue from operations over average working capital (current assets net of current liabilities).
6. Net profit ratio: Profit After Tax over Revenue from operations
7. Return on Capital employed: Earnings Before Interest and Tax over Capital Employed (which includes tangible net worth and total debt).

Note:

- a. Considering the nature of business activities, only ratios applicable to the Company are provided.
The Non-GAAP measures presented may not be comparable to similarly titled measures reported by other companies.

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

40. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Risk management framework

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining sufficient cash and marketable securities. The cash flows, funding requirements and liquidity of Company is regularly monitored by Management of the Company. The objective is to optimise 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, 2022 | Contractual cash flows (₹ in Lakhs) | | | | | |
|-----------------------------|-------------------------------------|----------|-----------|--------------------|-------------|-----------|
| | Carrying amount | Total | On Demand | Less than 3 months | 3-12 months | 1-5 years |
| Borrowings | 2,495.14 | 2,495.14 | - | 209.68 | 624.76 | 1,660.70 |
| Lease Liabilities | 1,391.50 | 1,391.50 | - | 137.50 | 423.77 | 830.23 |
| Trade Payables | - | - | - | - | - | - |
| Other Financial Liabilities | 2,051.92 | 2,051.92 | - | 2,051.92 | - | - |

| March 31, 2021 | Contractual cash flows (₹ in Lakhs) | | | | | |
|-----------------------------|-------------------------------------|----------|-----------|--------------------|-------------|-----------|
| | Carrying amount | Total | On Demand | Less than 3 months | 3-12 months | 1-5 years |
| Borrowings | 3,335.99 | 3,335.99 | - | 209.62 | 630.00 | 2,496.37 |
| Lease liabilities | 1,418.74 | 1,418.74 | - | 227.57 | 553.80 | 637.37 |
| Trade Payables | 16.50 | 16.50 | - | 16.50 | - | - |
| Other Financial Liabilities | 517.83 | 517.83 | - | 517.83 | - | - |

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.

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

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

| Particulars | (₹ in Lakhs) | |
|----------------------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Security Deposit | 971.17 | 315.72 |
| Trade Receivables | 1,419.10 | 1,000.94 |
| Investment in Debentures | 716.69 | 836.19 |
| Investment in Mutual Funds | - | 16.22 |
| Investment in PMS | - | 251.62 |
| Fixed Deposits with Banks | 11,456.72 | 3,352.00 |
| Bank Balances in Current Account | 716.94 | 980.60 |
| Staff Advances | 990.21 | 42.09 |
| Other Receivables | 88.67 | 25.32 |

(i) AGE OF TRADE RECEIVABLES

| Particulars | (₹ in Lakhs) | |
|-----------------------------|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Within the credit period | 1,412.90 | 977.01 |
| 1-30 days Past Dues | 6.20 | 20.91 |
| 31-60 days Past Dues | - | 2.70 |
| 61-90 days Past Dues | - | 0.32 |
| 91-180 days Past Dues | - | - |
| More than 180 days past due | - | - |
| | 1,419.10 | 1,000.94 |

(ii) MOVEMENT IN THE EXPECTED CREDIT LOSS ALLOWANCE

| Particulars | (₹ in Lakhs) | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Balance at end of the year | - | - |
| Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit loss | - | - |
| Balance at end of the year | - | - |

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's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt included in borrowings.

Sensitivity Analysis:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Floating Rate Liability | 2487.74 | 3312.84 |
| A hypothetical 1% shift in underlying benchmark rates will have the below impact: | | |
| Impact on Profit and Loss | | |
| Increase of 1% | (9.94) | (0.82) |
| Decrease of 1% | 9.94 | 0.82 |

Notes to Ind AS Standalone Financial Statements
For the year ended March 31, 2022 (Contd.)

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.

| (₹ in Lakhs) | | |
|------------------------------|----------------|----------------|
| Impact on Profit and Loss | Increase by 1% | Decrease by 1% |
| Investment in Mutual Fund | - | - |
| Investment in PMS | - | - |
| Investment in Other Entities | 103.50 | (103.50) |

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

| (₹ in Lakhs) | | |
|------------------------------|----------------|----------------|
| Particulars | March 31, 2022 | March 31, 2021 |
| Investment in Mutual Fund | - | 16.22 |
| Investment in PMS | - | 251.62 |
| Investment in Other Entities | 10,350.00 | 10,181.48 |

Currency Risk

The Company has a Foreign Representative Office in Dubai since March 7, 2021 vide its approval from UAE Government and renewed till March 5, 2023. The Company has Fixed Assets, Current Assets, Current liabilities, Income and Expenses of Foreign Representative office situated at Dubai (UAE):

The Company is exposed to foreign exchange risk arising from foreign currency transactions with respect to the AED. Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

At the reporting date, the exposure to foreign currency is as under:

| (AED in Lakhs) | | |
|----------------------------------|----------------|----------------|
| Particulars | March 31, 2022 | March 31, 2021 |
| Bank Balances in Current Account | 9.60 | - |
| Staff Advances | 0.45 | - |
| Prepaid Expenses | 0.20 | - |
| | 10.25 | - |

Sensitivity analysis

A reasonably possible strengthening (weakening) against all currencies at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| (₹ in Lakhs) | | |
|-----------------------|----------------|-----------|
| Particulars | Profit or loss | |
| | Strengthening | Weakening |
| March 31, 2022 | | |
| AED (1% movement) | 2.12 | (2.12) |
| March 31, 2021 | | |
| AED (1% movement) | - | - |

Notes to Ind AS Standalone Financial Statements For the year ended March 31, 2022 (Contd.)

41. DIVIDENDS

The final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income Tax consequences of dividends on financial instruments classified as equity will be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits.

The Company declares and pay the dividends in Indian rupee. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognised as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

| Particulars | (₹ in Amount) | |
|------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Interim Dividend for 2021-22 | 5.00 | - |
| Final dividend for 2020-21 | 2.50 | - |
| Interim dividend for 2020-21 | - | 2.50 |

During the year ended March 31, 2022 on account of the final dividend for 2020-21, and interim dividend for 2021-22 the Company has incurred a net cash outflow of ₹ 2,774.41 Lakhs.

The Board of Directors in their meeting on April 12, 2022 recommend a final dividend of ₹ 6 per equity share for the financial year ended March 31, 2022. This pay-out is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company and if approved would result in a net cash outflow of approximately ₹ 2,496.97 Lakhs.

42. COST SHARING

Anand Rathi Financial Services Limited, Anand Rathi Global Finance Limited, Anand Rathi Share and Stock Brokers Limited, Anand Rathi Advisors Limited and AR Digital Wealth Private Limited incurs expenditure in the nature of Business support costs, etc. which is for the benefit of the Company. The cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees, actual billings, etc. Accordingly, the expenditure noted under the head 'Business Support charges' in Note No. 25 are inclusive of the reimbursements.

43. 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 and Co LLP**
Chartered Accountants
Registration No.:105146W/W100621

Gautam V Shah
Partner
Membership No: 117348

Mumbai
Date: April 12, 2022

For and on Behalf of Board of Directors

Anand Rathi
Chairman
and Non-Executive Director
DIN : 00112853

Ashish Chauhan
Company Secretary

Rakesh Rawal
Chief Executive Officer
and Director
DIN : 02839168

Rajesh Bhutara
Chief Financial Officer

Independent Auditor's Report

To
The Members of
Anand Rathi Wealth Limited (previously known as Anand Rathi Wealth Services Limited)

Report on the audit of the Consolidated Financial Statements

OPINION

1. We have audited the accompanying consolidated Ind AS financial statements of Anand Rathi Wealth Limited (previously known as Anand Rathi Wealth Services Limited) ("the Holding Company" or "the Parent" or "the Company") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022 and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, the aforesaid Consolidated 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 consolidated state of affairs of the Group, as at 31 March 2022, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the

provisions of the Act, and the rules 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 along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. We have determined that there are no key audit matters to communicate in our report.

OTHER INFORMATION

5. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
6. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements, that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India,

Independent Auditor's Report (Contd.)

including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b. 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 Holding Company has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - d. 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - e. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - f. Obtain sufficient appropriate audit evidence regarding the financial information of the

Independent Auditor's Report (Contd.)

entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

16. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rs. 7235.72 lakhs as at 31 March 2022, total revenues of Rs. 1704.40 lakhs and net cash flows amounting to Rs. 236.53 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been

furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

17. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

18. As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its

Independent Auditor's Report (Contd.)

subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Holding Company, its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - g. In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, incorporated in India is not in excess of the limit laid down under Section 197 of the Act.
19. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries, as noted in the 'Other Matters' paragraph:
- a. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group, – Refer Note 39 to the consolidated financial statements.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - c. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and/or its subsidiary companies, incorporated in India during the year ended 31 March 2022.
 - d. The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.
 - e. The management has represented that no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.
 - f. In our opinion and according to the information and explanations given to us, the dividend declared and / or paid during the year the Group is in compliance with Section 123 of the Act.

For Khimji Kunverji and Co LLP

Chartered Accountants

Firm Registration Number: 105146W/W100621

Gautam Shah

Partner

ICAI Membership No: 117348

UDIN: 22117348AGXE8599

Place: Mumbai

Date: 12 April 2022

Annexure "A" to the Independent Auditors' report on the Consolidated Financial Statements of Anand Rathi Wealth Limited {previously known as Anand Rathi Wealth Services Limited} for the year ended 31 March 2022

(Referred to in paragraph "18.6" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

OPINION

1. In conjunction with our audit of the Consolidated Financial Statements of Anand Rathi Wealth Limited {previously known as Anand Rathi Wealth Services Limited} as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the Consolidated Financial Statements of Anand Rathi Wealth Limited {previously known as Anand Rathi Wealth Services Limited} ("the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.
2. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

3. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention

and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is to express an opinion on the Holding Company and its subsidiaries, which are companies incorporated in India, internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs 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 with reference to the Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

Annexure "A" (Contd.)

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. A company's internal financial controls with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Consolidated Financial Statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, including the possibility of collusion or improper management override of

controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system with reference to the Consolidated Financial Statements in so far as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

For Khimji Kunverji and Co LLP

Chartered Accountants

Firm Registration Number: 105146W/W100621

Gautam Shah

Partner

ICAI Membership No: 117348

UDIN: 22117348AGXEGI8599

Place: Mumbai

Date: 12 April 2022

Ind AS Consolidated Balance Sheet

As at March 31, 2022

| Particulars | Notes No. | (₹ in Lakhs) | |
|--|-----------|----------------------|----------------------|
| | | As at March 31, 2022 | As at March 31, 2021 |
| I ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 3 | 8,076.44 | 715.75 |
| Right-of-use Asset | 3 | 1,316.60 | 1,292.06 |
| Capital Work in Progress | 4 | - | 6,903.92 |
| Goodwill | 38 | 290.11 | 290.11 |
| Other Intangible assets | 5 | 2,712.34 | 3,218.34 |
| Financial Assets | | | |
| - Investments | 6(i) | 10,350.00 | 10,181.48 |
| - Other Financial assets | 8(i) | 417.51 | 427.14 |
| Deferred Tax Assets (Net) | 9 | 380.70 | 415.20 |
| Other Non Current Assets | 10 | 4,353.83 | 1,111.81 |
| Total Non-Current Assets | | 27,897.53 | 24,555.81 |
| Current Assets | | | |
| Financial Assets | | | |
| - Investments | 6(ii) | - | 267.84 |
| - Trade Receivables | 11 | 1,489.89 | 1,086.54 |
| - Cash and cash equivalents | 12 | 8,710.90 | 6,531.82 |
| - Bank balances other than above | 13 | - | 4.66 |
| - Loans | 7(i) | - | - |
| - Other Financial Assets | 8(ii) | 9,200.01 | 1,371.24 |
| Other Current Assets | 14 | 717.66 | 156.89 |
| Total Current Assets | | 20,118.46 | 9,418.98 |
| TOTAL ASSETS | | 48,015.99 | 33,974.79 |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 15 | 2,080.81 | 1,375.68 |
| Other Equity | 16 | 32,285.87 | 22,781.76 |
| Non Controlling Interest | 17 | 1,166.93 | 1,160.03 |
| Total Equity | | 35,533.61 | 25,317.47 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| - Borrowings | 18(i) | 1,660.70 | 2,496.37 |
| - Lease Liability | 20(i) | 854.00 | 637.37 |
| Provisions | 22(i) | 212.55 | 116.41 |
| Total Non-Current Liabilities | | 2,727.25 | 3,250.15 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 18(ii) | 834.44 | 839.62 |
| - Lease Liability | 20(ii) | 575.53 | 781.37 |
| - Trade Payables | 19 | - | - |
| Total Outstanding dues of micro enterprises and small enterprises | | - | 8.15 |
| Total Outstanding dues of creditors other than micro enterprises and small enterprises | | - | 12.08 |
| - Other Financial Liabilities | 21 | 2,117.59 | 565.81 |
| Other Current Liabilities | 23 | 865.43 | 1,223.36 |
| Provisions | 22(ii) | 5,362.14 | 1,976.79 |
| Total Current Liabilities | | 9,755.13 | 5,407.18 |
| TOTAL EQUITY AND LIABILITIES | | 48,015.99 | 33,974.79 |
| Notes Forming Part of the IND AS Consolidated Financial Statements | 1-50 | | |

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of

Khimji Kunverji and Co LLP

Chartered Accountants

Registration No.:105146W/W100621

Anand Rathi

Chairman

and Non-Executive Director

DIN : 00112853

Rakesh Rawal

Chief Executive Officer

and Director

DIN : 02839168

Gautam V Shah

Partner

Membership No: 117348

Ashish Chauhan

Company Secretary

Rajesh Bhutara

Chief Financial Officer

Mumbai

Date: April 12, 2022

Ind AS Consolidated Statement of Profit and Loss

For the year ended on March 31, 2022

(₹ in Lakhs)

| Particulars | Notes No. | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|-----------|-----------------------------------|-----------------------------------|
| I Revenue From Operations | 24 | 41,748.51 | 26,533.02 |
| II Other Income | 25 | 814.00 | 1,391.83 |
| Total Income | | 42,562.51 | 27,924.85 |
| III Expenses: | | | |
| Employee Benefits Expenses | 26 | 19,148.81 | 15,075.48 |
| Finance Costs | 27 | 201.86 | 288.98 |
| Depreciation and Amortisation Expenses | 3 & 5 | 1,565.07 | 1,772.90 |
| Other Expenses | 28 | 4,879.60 | 4,499.22 |
| Total Expenses | | 25,795.34 | 21,636.58 |
| IV Profit Before Tax | | 16,767.17 | 6,288.27 |
| V Tax Expenses: | 29 | | |
| 1. Current Tax | | 4,039.58 | 1,587.32 |
| 2. Prior Year Taxes | | 12.96 | 191.53 |
| 3. Deferred Tax | | 34.75 | 46.98 |
| Total Tax Expenses | | 4,087.29 | 1,825.83 |
| VI Profit for the year | | 12,679.88 | 4,462.44 |
| VII Other Comprehensive Income/(Loss) | | | |
| (A) (i) Items that will be reclassified to profit or loss | | (9.31) | - |
| Exchange difference on translation from functional currency to presentation currency | | | |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | 2.34 | - |
| (B) (i) Items that will not be subsequently reclassified to profit or loss | | | |
| Remeasurement of the net defined benefit liability | | 20.18 | 29.76 |
| (ii) Less : Income tax relating to items that will not be reclassified to profit or loss | | (5.08) | (7.49) |
| Total Other comprehensive income/(loss) | | 8.13 | 22.27 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 12,688.01 | 4,484.71 |
| Profit for the year attributable to : | | | |
| Owners of the Company | | 12,672.63 | 4,461.38 |
| Non- Controlling Interest | | 7.25 | 1.06 |
| Other Comprehensive income for the year attributable to : | | | |
| Owners of the Company | | 8.48 | 20.76 |
| Non- Controlling Interest | | (0.35) | 1.51 |
| Total Comprehensive income for the year attributable to : | | | |
| Owners of the Company | | 12,681.11 | 4,482.14 |
| Non- Controlling Interest | | 6.90 | 2.57 |
| VIII Earnings Per Equity Share of Face Value of ₹ 5 each | 34 | | |
| Basic | | 30.49 | 10.87 |
| Diluted | | 30.36 | 10.74 |
| Notes Forming Part of the IND AS Consolidated Financial Statements | 1-50 | | |

As per our attached report of even date.

For and on Behalf of Board of Directors

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

Anand Rathi
Chairman
and Non-Executive Director
DIN : 00112853

Rakesh Rawal
Chief Executive Officer
and Director
DIN : 02839168

Gautam V Shah
Partner
Membership No: 117348

Ashish Chauhan
Company Secretary

Rajesh Bhutara
Chief Financial Officer

Mumbai
Date: April 12, 2022

Ind AS Consolidated Cash Flow Statement

For the year ended on March 31, 2022

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET PROFIT BEFORE TAX | 16,767.17 | 6,288.27 |
| Adjustment for : | | |
| Depreciation and Amortisation | 1,565.07 | 1,772.90 |
| Interest Income | (450.09) | (511.93) |
| Finance Costs | 201.86 | 288.98 |
| Gain on Sale of Investments | (257.45) | (265.01) |
| Net Fair Value (Gain)/Loss on Financial instruments | (28.33) | (147.66) |
| Dividend | (0.82) | (0.63) |
| Stock Compensation Expenses | 291.02 | 647.93 |
| (Gain) or Loss on Sale of Fixed Assets/Asset written off | 4.20 | (0.17) |
| Gratuity | 211.89 | 115.16 |
| Leave | 88.73 | 45.07 |
| | 1,626.08 | 1,944.64 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 18,393.25 | 8,232.91 |
| Adjustment for : | | |
| Decrease/(Increase) in Other Financial Assets | (1,101.79) | 2,056.87 |
| Decrease/(Increase) in Trade Receivables | (403.35) | (175.19) |
| Decrease/(Increase) in Other Current Assets | (560.77) | 1,176.18 |
| (Decrease)/Increase in Trade Payables | (20.23) | (185.82) |
| (Decrease)/Increase in Other Financial Liabilities | 2,406.49 | (8,590.20) |
| (Decrease)/Increase in Provisions | 3,189.69 | (2,224.44) |
| (Decrease)/Increase in Other Current Liabilities | (357.93) | 309.08 |
| | 3,152.11 | (7,633.52) |
| CASH GENERATED FROM OPERATIONS | 21,545.36 | 599.39 |
| Add/(Less) : | | |
| Direct Taxes Paid (Net) | (6,975.16) | (2,390.42) |
| NET CASH (USED IN)/FROM OPERATING ACTIVITIES | 14,570.20 | (1,791.03) |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Proceeds from Sale/(Purchase) of Property, Plant and Equipment | (1,544.59) | 222.89 |
| Interest Income | 384.54 | 473.71 |
| Dividend received | 0.82 | 0.63 |
| Proceeds on sale of/(Payments to acquire) Investment | 356.76 | 130.66 |
| Advance paid for Purchase of property | (320.32) | (135.00) |
| Security Deposit (Given)/Received | (631.72) | 179.86 |
| (Loans Given)/Loan Repayment Received | - | 6,486.34 |
| Bank Deposits placed | (5,987.10) | (3.33) |
| NET CASH (USED IN)/ FROM INVESTING ACTIVITIES | (7,741.60) | 7,355.76 |

Ind AS Consolidated Cash Flow Statement

For the year ended on March 31, 2022

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Borrowings (Repaid)/Taken Net | (840.85) | (837.00) |
| Interest Paid | (77.85) | (288.98) |
| Issue of Shares | 11.53 | 1,080.31 |
| Dividends paid | (2,774.41) | (687.84) |
| Repayment of Lease liabilities | (967.94) | (1,124.84) |
| NET CASH (USED IN)/FROM FINANCING ACTIVITIES | (4,649.52) | (1,858.35) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 2,179.08 | 3,706.37 |
| CASH AND CASH EQUIVALENTS - Opening Balance | 6,531.82 | 2,825.45 |
| CASH AND CASH EQUIVALENTS - Closing Balance | 8,710.90 | 6,531.82 |

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

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| - Cash in Hand | 8.65 | 1.91 |
| - Balance in Current Account | 762.25 | 1,189.91 |
| - Balance in Deposit Account (Maturity less than 3 Months) | 7,940.00 | 5,340.00 |
| Total | 8,710.90 | 6,531.82 |

Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 Statement of Cash flows.

As per our attached report of even date.

For and on Behalf of

Khimji Kunverji and Co LLP

Chartered Accountants

Registration No.:105146W/W100621

Gautam V Shah

Partner

Membership No: 117348

Mumbai

Date: April 12, 2022

For and on Behalf of Board of Directors

Anand Rathi

Chairman

and Non-Executive Director

DIN : 00112853

Ashish Chauhan

Company Secretary

Rakesh Rawal

Chief Executive Officer

and Director

DIN : 02839168

Rajesh Bhutara

Chief Financial Officer

Ind AS Consolidated Statement of Changes in Equity

For the year ended on March 31, 2022

A. EQUITY SHARE CAPITAL

| Particulars | (₹ in Lakhs) | |
|---|--------------------|-----------------|
| | Nos. | ₹ in Lakh |
| Equity shares of ₹ 5 each issued, subscribed and fully paid as at March 31, 2020 | 2,70,27,440 | 1,351.37 |
| Shares Issued during the year for consideration of ₹ 5 each | 4,86,120 | 24.31 |
| Equity shares of ₹ 5 each issued, subscribed and fully paid as at March 31, 2021 | 2,75,13,560 | 1,375.68 |
| Shares Issued during the year for consideration of ₹ 5 each | 2,30,580 | 11.53 |
| Shares Issued during the year as bonus | 1,38,72,087 | 693.60 |
| Equity shares of ₹ 5 each issued, subscribed and fully paid as at March 31, 2022 | 4,16,16,227 | 2,080.81 |

B. OTHER EQUITY

| Particulars | (₹ in Lakhs) | | | | | | | |
|---|-----------------|--------------------|-------------------|---------------------------|----------------------------|--|--|--|
| | Capital Reserve | Securities Premium | Retained Earnings | Share Options Outstanding | Other Comprehensive Income | Movement in Non Controlling Interest due to change in Shareholding | Total Other Equity attributable to Owners of the Company | Attributable to Non Controlling Interest |
| Balance as at April 1, 2020 | 249.54 | 2,521.71 | 16,722.82 | 3.30 | (138.16) | (2,075.68) | 17,283.53 | 1,157.46 |
| Profit for the year | - | - | 4,453.89 | - | - | - | 4,453.89 | 1.06 |
| Remeasurement of the net defined benefit liability/asset | - | - | - | - | 28.25 | - | 28.25 | 1.51 |
| Total | 249.54 | 2,521.71 | 21,176.71 | 3.30 | (109.91) | (2,075.68) | 21,765.67 | 1,160.03 |
| Issue of shares on premium | - | 1,267.77 | - | - | - | - | 1,267.77 | - |
| Transfer of profits of the year to General reserve | - | - | - | - | - | - | - | - |
| Movement in Non Controlling Interest due to change in Shareholding | - | - | - | - | - | - | - | - |
| Total | 249.54 | 3,789.48 | 21,176.71 | 3.30 | (109.91) | (2,075.68) | 23,033.44 | 1,160.03 |
| Addition in Share Options during the year | - | - | - | 647.93 | - | - | 647.93 | - |
| Less : Utilisation during the year | - | - | - | (211.77) | - | - | (211.77) | - |
| Less : Dividend Paid | - | - | (687.84) | - | - | - | (687.84) | - |
| Transfer on account of options not exercised | - | - | 0.21 | (0.21) | - | - | - | - |
| Balance as at March 31, 2021 | 249.54 | 3,789.48 | 20,489.08 | 439.25 | (109.91) | (2,075.68) | 22,781.76 | 1,160.03 |
| Balance as at April 1, 2021 | 249.54 | 3,789.48 | 20,489.08 | 439.25 | (109.91) | (2,075.68) | 22,781.76 | 1,160.03 |
| Profit for the year | - | - | 12,672.63 | - | - | - | 12,672.63 | 7.25 |
| Remeasurement of the net defined benefit liability/asset | - | - | - | - | 8.48 | - | 8.48 | (0.35) |
| Total | 249.54 | 3,789.48 | 33,161.71 | 439.25 | (101.43) | (2,075.68) | 35,462.87 | 1,166.93 |
| Issue of shares on premium | - | 212.00 | - | (212.00) | - | - | - | - |
| Transfer of profits of the year to General reserve | - | - | - | - | - | - | - | - |
| Movement in Non Controlling Interest due to change in Shareholding | - | - | - | - | - | - | - | - |
| Total | 249.54 | 4,001.48 | 33,161.71 | 227.25 | (101.43) | (2,075.68) | 35,462.87 | 1,166.93 |
| Addition in Share Options during the year | - | - | - | 291.02 | - | - | 291.02 | - |
| Less : Utilised for issue of bonus shares | - | - | (693.60) | - | - | - | (693.60) | - |
| Less : Dividend Paid | - | - | (2,774.41) | - | - | - | (2,774.41) | - |
| Transfer on account of options not exercised | - | - | 0.06 | (0.06) | - | - | - | - |
| Balance as at March 31, 2022 | 249.54 | 4,001.48 | 29,693.76 | 518.21 | (101.43) | (2,075.68) | 32,285.87 | 1,166.93 |

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of

Khimji Kunverji and Co LLP

Chartered Accountants

Registration No.:105146W/W100621

Gautam V Shah

Partner

Membership No: 117348

Mumbai

Date: April 12, 2022

Anand Rathi

Chairman

and Non-Executive Director

DIN : 00112853

Ashish Chauhan

Company Secretary

Rakesh Rawal

Chief Executive Officer

and Director

DIN : 02839168

Rajesh Bhutara

Chief Financial Officer

Notes to Ind AS Consolidated Financial Statements

For the year ended March 31, 2022 (Contd.)

1. CORPORATE INFORMATION

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

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

During the quarter ended December 31, 2021, the Holding Company concluded an Initial Public Offering 'IPO' through offer for sale of 1,20,00,000 equity Shares by the existing shareholders at an offer price of ₹ 550 per share (employee discount of ₹ 25 per share for 2,50,000 shares reserved under employee category). The equity shares were allotted on December 9, 2021 and listed on National Stock Exchange of India Limited and BSE Limited on December 14, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

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

The Ind AS consolidated financial statements were approved for issue by the Board of Directors of the Company at their meeting held on April 12, 2022.

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

These Ind AS Consolidated Financial Statements have been prepared on historical cost basis, except for certain financial instruments, which

are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The group has considered the amendments to Schedule III of the Act as amended notified by Ministry of Corporate Affairs ("MCA") via notification dated March 24, 2021 in the Ind AS Financial Statement disclosures, wherever applicable.

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

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

The accounting policies adopted in the preparation of the Ind AS Consolidated Financial Statements are consistent with those followed in the previous year by the group.

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

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the assets or liability.

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act as amended. The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act as amended, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards. Amounts in the financial statements are presented in Indian Rupees in Lakh [1 Lakh = 1,00,000] rounded off to two decimal places as permitted by Schedule III to the Act as amended. Per share data are presented in Indian Rupees to two decimal places.

Functional and presentation of currency

The financial statements are presented in Indian Rupees, which is the Group's functional and presentation currency and all amounts are rounded to the nearest rupees in thousand; except when otherwise stated.

Foreign Currency Translation

The financial statements are presented in Indian currency (₹), which is the Group's presentation currency. It is necessary for the results and financial position of each individual entity included in the reporting entity to be translated into the currency in which the reporting entity presents its financial statements. As the reporting entity presents its financial statement in ₹, the Group's financial statements are translated into ₹.

Foreign currency transactions are translated into presentation currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities

denominated in foreign currencies at the year end exchange rates are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in the foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVTOCI are recognised in other comprehensive income.

The financial statements are translated from functional currency to presentation currency by using the following procedures:

- assets and liabilities for each balance sheet presented (ie including comparatives) shall be translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit and loss presented (ie including comparatives) shall be translated at average exchange rates during the year; and
- all resulting exchange differences shall be recognised in other comprehensive income.

(c) Principles of Consolidation

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

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

Notes to Ind AS Consolidated Financial Statements For the year ended March 31, 2022 (Contd.)

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

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

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

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

- (i) Amortisation of Customer relationship cost: During 2016-17, the Holding Company had acquired Private Wealth Management business from Religare Wealth Management Limited, for which the Holding Company had made payment which was capitalised as Customer Relationship Cost. The Holding Company has amortised the payment over the period of 3 years.
- (ii) Depreciation/Amortisation and useful lives of property, plant and equipment: The Group depreciates its tangible assets over the useful life of an Asset as prescribed under Part C of Schedule II of the Act. The Group remeasures remaining useful life of an asset at the end of each reporting date.
- (iii) Fair value measurement: Fair Value is a price of orderly transaction between market participants at the measurement date under current market conditions. The Group 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 recognised when there is a present obligation (legal or constructive) as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation. The Management estimates it by using its best judgement of future cash outflow.
- (v) Taxes: The Group periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. For matters where it is probable that an adjustment will be made, the Group records its best estimates of the tax liability in the current tax provision. The Management believes that it has adequately provided for the probable outcome of these matters.

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

- (vi) Recognition and measurement of defined benefit obligations

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

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

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

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

(e) Current and Non-Current Classification

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

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

All other assets shall be classified as non-current.

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

- (a) it is expected to be settled in the Group's normal operating cycle;

- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

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

Property, Plant and Equipment

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

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

| Fixed Assets | Useful Life |
|------------------------------|-------------|
| Office Equipments | 5 years |
| Computer Equipments | |
| a. Server | 6 years |
| b. Other Computer Equipments | 3 years |
| Vehicles | 8 years |
| Furniture and Fixtures | 10 years |
| Building | 60 years |

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

- (iii) **Intangible Assets:** Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation

Notes to Ind AS Consolidated Financial Statements For the year ended March 31, 2022 (Contd.)

and impairment, if any. Amortisation is recognised in profit and loss on a straight line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given hereunder:

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

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

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

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

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

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

(g) Financials Instruments

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

Initial Recognition :

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial

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

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

(i) Classification and 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.

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

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

- both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

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

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

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic

benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(ii) *Impairment of financial assets*

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost, FVOCI debt instruments, and other financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 45 details how the Group determines whether there has been a significant increase in credit risk.

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

(iii) *Derecognition of financial assets*

A financial asset is derecognised only when :

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

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

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

Notes to Ind AS Consolidated Financial Statements For the year ended March 31, 2022 (Contd.)

(iv) *Financial Liabilities:*

Financial liabilities which are held for trading or are designated at FVTPL are measured at fair value with changes being recognised in the Statement of Profit and Loss. Financial liabilities that are not held for trading and are not designated as at FVTPL, are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

(v) *Derecognition of financial liabilities*

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

(vi) *Offsetting financial assets and liabilities*

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

(h) **Derivatives financial instruments**

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

(i) **Impairment of Assets**

Property, plant or equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in use) is

determined on an individual asset basis unless the asset does not generate cash flows that are largely independent to those from other assets.

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

(j) **Cash and cash equivalents**

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

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

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

Borrowing cost attributable to acquisition and construction of qualifying assets are capitalised 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 year in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowings.

(l) **Leases**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

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

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

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

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

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country

of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(m) Goodwill

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

(n) Business Combination:

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

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

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

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net

Notes to Ind AS Consolidated Financial Statements For the year ended March 31, 2022 (Contd.)

assets acquired is in excess of the aggregate consideration transferred, the excess is termed as Gain on Bargain Purchase/Capital reserve.

(o) Employee Benefits

Defined Contribution plan – Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Group is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as a part of retirement benefits to its employees. The contributions during the year are charged to Statement of Profit and Loss. The Group recognises 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 year in which they occur and are not reclassified to the Statement of Profit and Loss.

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

Short Term Employee Benefits - The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised 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 year in which the employee renders the related service.

(p) Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the amount can be reliably

measured. Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts. The Group assesses the nature, timing and extent of revenue based on performance obligations in its contracts/understanding/trade customs with customers and clients.

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

(q) Taxes on Income

Current Tax: Provision for Income Tax is determined in accordance with the provisions of the Income Tax Act, 1961.

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.

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

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 realised simultaneously

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

(r) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Contingent Assets are neither recognised nor disclosed.

(s) Earnings per share

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

The Weighted average number of equity shares outstanding during the year is adjusted for events such as issue of shares, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), without a corresponding change in resources.

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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(t) Cash Flow Statement

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

(u) Share Based payment Arrangements

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

(v) Rounding of amounts

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

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

3. **PROPERTY, PLANT AND EQUIPMENT**
Property, plant and equipment consist of the following:

| Description | (₹ in Lakhs) | | | | | | | |
|--|--------------|--------------------|------------------------|--------------------|----------|------------------|------------------------|-----------|
| | Building | Right-of-Use Asset | Leasehold Improvements | Computer equipment | Vehicles | Office Equipment | Furniture and Fixtures | Total |
| Gross Block as at April 1, 2021 | - | 3,070.37 | 52.36 | 630.18 | 164.43 | 97.67 | 363.19 | 4,378.20 |
| Additions | 7,144.47 | 871.73 | - | 156.02 | 135.35 | 14.97 | 140.05 | 8,462.59 |
| Less : Disposals | - | - | - | 0.31 | 37.30 | - | - | 37.61 |
| Gross Block as at March 31, 2022 | 7,144.47 | 3,942.10 | 52.36 | 785.89 | 262.48 | 112.64 | 503.24 | 12,803.18 |
| Accumulated depreciation as at April 1, 2021 | - | 1,778.31 | 11.27 | 354.41 | 72.77 | 54.27 | 99.36 | 2,370.39 |
| Depreciation for the year | 9.30 | 847.18 | 4.97 | 125.00 | 18.00 | 16.77 | 37.84 | 1,059.06 |
| Less : Disposals | - | - | - | 0.26 | 19.06 | - | - | 19.32 |
| Accumulated depreciation as at March 31, 2022 | 9.30 | 2,625.49 | 16.25 | 479.15 | 71.70 | 71.04 | 137.20 | 3,410.13 |
| Net carrying amount as at March 31, 2022 | 7,135.17 | 1,316.60 | 36.11 | 306.74 | 190.78 | 41.60 | 366.04 | 9,393.05 |

| Description | (₹ in Lakhs) | | | | | | | |
|--|--------------|--------------------|------------------------|--------------------|----------|-------------------|------------------------|----------|
| | Building | Right-of-Use Asset | Leasehold Improvements | Computer equipment | Vehicles | Office equipments | Furniture and Fixtures | Total |
| Gross Block as at April 1, 2020 | - | 3,767.94 | 52.36 | 601.68 | 164.43 | 92.39 | 362.57 | 5,041.37 |
| Additions | - | - | - | 34.49 | - | 5.28 | 1.12 | 40.89 |
| Less : Disposals | - | 697.57 | - | 5.99 | - | - | 0.50 | 704.06 |
| Gross Block as at March 31, 2021 | - | 3,070.37 | 52.36 | 630.18 | 164.43 | 97.67 | 363.19 | 4,378.20 |
| Accumulated depreciation as at April 1, 2020 | - | 1,142.04 | 6.30 | 226.08 | 53.24 | 36.80 | 64.82 | 1,529.28 |
| Depreciation for the year | - | 1,047.77 | 4.97 | 133.98 | 19.53 | 17.47 | 34.58 | 1,258.30 |
| Less : Disposals | - | 411.50 | - | 5.65 | - | - | 0.04 | 417.19 |
| Accumulated depreciation as at March 31, 2021 | - | 1,778.31 | 11.27 | 354.41 | 72.77 | 54.27 | 99.36 | 2,370.39 |
| Net carrying amount as at March 31, 2021 | - | 1,292.06 | 41.09 | 275.77 | 91.66 | 43.40 | 263.83 | 2,007.81 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

4. CAPITAL WORK IN PROGRESS

| (₹ in Lakhs) | | |
|-----------------------------|----------|----------|
| Description | Building | Total |
| As at April 1, 2021 | 6,903.92 | 6,903.92 |
| Additions | 240.55 | 240.55 |
| Less : Disposals | 7,144.47 | 7,144.47 |
| As at March 31, 2022 | - | - |

| (₹ in Lakhs) | | |
|-----------------------------|----------|----------|
| Description | Building | Total |
| As at April 1, 2020 | 6,538.58 | 6,538.58 |
| Additions | 365.34 | 365.34 |
| Less : Disposals | - | - |
| As at March 31, 2021 | 6,903.92 | 6,903.92 |

CWIP ageing schedule

| (₹ in Lakhs) | | | | | |
|-----------------------------|------------------|-----------|-----------|-------------------|----------|
| Periods in Progress | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| As at March 31, 2022 | - | - | - | - | - |
| As at March 31, 2021 | 365.34 | 6,538.58 | - | - | 6,903.92 |

There are no overdue or cost overrun projects compared to its original plan and no projects which are temporarily suspended, on the above mentioned reporting dates

5. OTHER INTANGIBLE ASSETS

| (₹ in Lakhs) | | | | | |
|--|-----------|----------|-----------|-----------------------|----------|
| Description | OFA Plus* | Software | Trademark | Customer Relationship | Total |
| Gross Block as at April 1, 2021 | 398.17 | 4,413.69 | 1.92 | 856.31 | 5,670.10 |
| Additions | - | - | - | - | - |
| Less : Disposals | - | - | - | - | - |
| Gross Block as at March 31, 2022 | 398.17 | 4,413.69 | 1.92 | 856.31 | 5,670.10 |
| Accumulated depreciation as at April 1, 2021 | 81.29 | 1,513.25 | 0.90 | 856.31 | 2,451.75 |
| Depreciation for the year | 38.43 | 467.40 | 0.18 | - | 506.01 |
| Less : Disposals | - | - | - | - | - |
| Accumulated depreciation as at March 31, 2022 | 119.72 | 1,980.65 | 1.08 | 856.31 | 2,957.76 |
| Net carrying amount as at March 31, 2022 | 278.45 | 2,433.05 | 0.84 | 0.00 | 2,712.34 |

| (₹ in Lakhs) | | | | | |
|--|-----------|----------|-----------|-----------------------|----------|
| Description | OFA Plus* | Software | Trademark | Customer Relationship | Total |
| Gross Block as at April 1, 2020 | 398.17 | 4,413.69 | 1.92 | 856.31 | 5,670.09 |
| Additions | - | - | - | - | - |
| Less : Disposals | - | - | - | - | - |
| Gross Block as at March 31, 2021 | 398.17 | 4,413.69 | 1.92 | 856.31 | 5,670.09 |
| Accumulated amortisation as at April 1, 2020 | 42.86 | 1,040.16 | 0.72 | 853.40 | 1,937.13 |
| Amortisation for the year | 38.43 | 473.09 | 0.18 | 2.91 | 514.61 |
| Less : Disposals | - | - | - | - | - |
| Accumulated amortisation as at March 31, 2021 | 81.29 | 1,513.25 | 0.90 | 856.31 | 2,451.75 |
| Net carrying amount as at March 31, 2021 | 316.87 | 2,900.44 | 1.02 | 0.00 | 3,218.34 |

*OFA Plus- Omni Financial Advisor Plus

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

6. INVESTMENTS

| Description | (₹ in Lakhs) | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| | Qty. in Nos. | Qty. in Nos. | Amount | Amount |
| (i) Investment - Non Current | | | | |
| Investment in Equity Shares of Other Companies at Fair Value through Profit and Loss | | | | |
| Anand Rathi Global Finance Limited | 22,50,000 | 22,50,000 | 10,350.00 | 10,181.48 |
| | | | 10,350.00 | 10,181.48 |
| Aggregate amount of Quoted Investment and market value thereof | | | | |
| Aggregate amount of Un-quoted Investment | | | 10,350.00 | 10,181.48 |
| Aggregate provision made for unquoted Investment | | | - | - |

| Description | (₹ in Lakhs) | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| | Qty. in Nos. | Qty. in Nos. | Amount | Amount |
| (ii) Investments - Current | | | | |
| Quoted | | | | |
| Investment in Mutual Fund and PMS at Fair Value through Profit and Loss | | | | |
| Franklin India Ultra Short Bond Fund - Super Institutional - Growth | - | 41,405.24 | - | 12.31 |
| Franklin Low Duration Fund Growth Plan | - | 13,182.28 | - | 3.06 |
| Franklin India Low Duration Fund - Direct - Growth | - | 3,553.75 | - | 0.85 |
| Investment in PMS at Fair Value through Profit and Loss* | - | - | - | 156.07 |
| Unquoted | | | | |
| Investment in PMS at Fair Value through Profit and Loss* | | | - | 95.55 |
| | | | - | 267.84 |

* The amount represents Investment in Portfolio which is managed by Anand Rathi Advisors Limited - PMS and includes equity shares, mutual fund units, debentures and other investments.

| | | |
|--|---|--------|
| Aggregate amount of Quoted Investment and market value thereof | - | 172.29 |
| Aggregate amount of Un-quoted Investment | - | 95.55 |

7. LOANS

(i) Loans - Current

| Particulars | (₹ in Lakhs) | |
|------------------------------|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (Unsecured, Considered good) | - | - |
| | - | - |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

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

(₹ in Lakhs)

| Type of Borrower | As at March 31, 2022 | | As at March 31, 2021 | |
|------------------|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
| Promoters | - | - | - | - |
| Directors | - | - | - | - |
| KMPs | - | - | - | - |
| Related Parties | - | - | - | - |

8. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| (i) Other Financial Assets - Non current | | |
| Fixed Deposit with Bank (Lien against Bank Overdraft) | 199.00 | 202.00 |
| Staff Advances | - | 21.20 |
| Security Deposit | 218.51 | 203.94 |
| | 417.51 | 427.14 |

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| (ii) Other Financial Assets - Current | | |
| Accrued Interest | 89.45 | 47.02 |
| Fixed Deposit with Bank (Lien against Bank Overdraft) | 6,344.76 | 350.00 |
| Securities Held as Stock in trade | | |
| Un-Quoted - Fully Paid up | | |
| Debentures at Fair Value through Profit and Loss | | |
| - In Anand Rathi Global Finance Limited | 911.97 | 836.19 |
| - In Edelweiss Broking Limited | 23.11 | - |
| Other Receivables | 2.85 | - |
| Staff Advances | 1,072.27 | 22.70 |
| Security Deposits - Rent | 755.10 | 114.83 |
| Security Deposit -Telemarketing Primary Rate Interface Line | 0.50 | 0.50 |
| | 9,200.01 | 1,371.24 |
| Aggregate amount of Un-quoted Debentures | 935.08 | 836.19 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

9. DEFERRED TAX ASSETS/(LIABILITIES)

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Depreciation | (265.71) | (220.32) |
| Long Term Capital Loss | (53.26) | 9.86 |
| Business Loss | 518.35 | 499.18 |
| Leave Provision | 114.24 | 91.91 |
| Gratuity Provision | 6.81 | 5.34 |
| Fair Valuation of Financial Instruments | (1.34) | (31.68) |
| Impact on recognition of Right-of-use Asset and Lease Liability | 61.61 | 60.91 |
| | 380.70 | 415.20 |

10. OTHER NON CURRENT ASSETS

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Capital Advances (Refer Note No.41) | 455.32 | 135.00 |
| Advance Tax including Tax Deducted at Source | 3,898.51 | 976.81 |
| | 4,353.83 | 1,111.81 |

11. TRADE RECEIVABLES

| Particulars | (₹ in Lakhs) | |
|------------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (Unsecured, Considered good) | | |
| Trade Receivables | 1,489.89 | 1,086.54 |
| Refer Note No.45(i) | | |
| | 1,489.89 | 1,086.54 |

Trade Receivables ageing schedule

As at March 31, 2022

| Particulars | (₹ in Lakhs) | | | | | | |
|--|--|--------------------------|-------------------------|--------------|--------------|-------------------------|-----------------|
| | Outstanding for following periods from due date of payment | | | | | | |
| | Unbilled | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 1,471.06 | 6.20 | 12.63 | - | - | - | 1,489.89 |
| (ii) Undisputed Trade receivables – which have significant increase in Credit risk | | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered good | | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in Credit risk | | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables credit impaired | | - | - | - | - | - | - |
| Total | 1,471.06 | 6.20 | 12.63 | - | - | - | 1,489.89 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

As at March 31, 2021

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
| | Unbilled | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 1,020.88 | 58.05 | 7.61 | - | - | - | 1,086.54 |
| (ii) Undisputed Trade receivables – which have significant increase in Credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in Credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables credit impaired | - | - | - | - | - | - | - |
| Total | 1,020.88 | 58.05 | 7.61 | - | - | - | 1,086.54 |

12. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Balances with Banks | | |
| - in Current Accounts | 762.25 | 1,189.91 |
| - in Deposit Accounts (Maturity less than 3 Months) | 7,940.00 | 5,340.00 |
| Cash on Hand | 8.65 | 1.91 |
| | 8,710.90 | 6,531.82 |

13. BANK BALANCES OTHER THAN AS PER NOTE 12

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| In Deposit Accounts with Original Maturity of more than 3 Months and less than 12 months | - | 4.66 |
| | - | 4.66 |

14. OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|----------------------|----------------------|
| (Unsecured, Considered good) | | |
| Advances to Vendors | 0.57 | 0.91 |
| Prepaid Expenses | 235.18 | 81.83 |
| TCS Recoverable | 49.78 | 35.48 |
| Input Tax Credit Receivable | 222.89 | 33.81 |
| Advance to Others | 188.00 | 4.01 |
| Others | 21.24 | 0.85 |
| | 717.66 | 156.89 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

15. EQUITY SHARE CAPITAL

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Authorised | | |
| 5,00,00,000 (2020-21 - 4,00,00,000 of ₹ 5/-each) Equity Shares of ₹ 5/-each | 2,500.00 | 2,000.00 |
| | 2,500.00 | 2,000.00 |
| Issued, Subscribed and Paid Up | | |
| 4,16,16,227 (2020-21 - 2,75,13,560 Equity Shares of ₹ 5/-each) Equity Shares of ₹ 5/-each Fully Paid Up | 2,080.81 | 1,375.68 |
| | 2,080.81 | 1,375.68 |

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

| Equity Shares | April 2021 to March 2022 | | April 2020 to March 2021 | |
|---|--------------------------|-----------------|--------------------------|-----------------|
| | No. of Shares | (₹ in Lakhs) | No. of Shares | (₹ in Lakhs) |
| Shares outstanding at the beginning of the year | 2,75,13,560 | 1,375.68 | 2,70,27,440 | 1,351.37 |
| Shares Issued during the year for consideration of ₹ 5 each | 2,30,580 | 11.53 | 4,86,120 | 24.31 |
| Shares Issued during the year as bonus | 1,38,72,087 | 693.60 | | |
| Shares outstanding at the end of the year | 4,16,16,227 | 2,080.81 | 2,75,13,560 | 1,375.68 |

The face value of equity shares of the Holding Company has been subdivided from ₹ 10 per equity share to ₹ 5 per equity share vide approval of shareholders in extraordinary general meeting held on August 14, 2018.

(ii) Terms/Rights attached to the Equity Shares

Equity Shares

The Holding Company has only one class of shares referred to as Equity Shares having a face value of ₹ 5 per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupee. The dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2022, final dividend of 2020-21 of ₹ 2.5 per share and interim dividend of 2021-22 of ₹ 5 per share has been paid and recognised as distribution to equity shareholders.

In the event of Liquidation of the Holding 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, 2022 | | As at March 31, 2021 | |
|--|-------------------------------------|---------------|-------------------------------------|---------------|
| | No. of shares held (of ₹ 5 each) | % of Holdings | No. of shares held (of ₹ 5 each) | % of Holdings |
| Anand Rathi Financial Services Limited | 86,61,123 | 20.81 | 1,19,64,082 | 43.48 |
| Anand Rathi | 49,71,390 | 11.95 | 36,58,260 | 13.30 |
| Pradeep Kumar Gupta | 19,02,012 | 4.57 | 15,10,508 | 5.49 |

(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, 2022 | 1,38,72,087 | - | - |
| March 31, 2021 | - | - | - |
| March 31, 2020 | - | - | - |
| March 31, 2019 | - | - | - |
| March 31, 2018 | - | - | - |
| March 31, 2017 | - | - | - |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

(v) **Shares held by promoters**

As at March 31, 2022

| Promoter Name | No. of Shares | % of total shares | % Change during the year* |
|--|---------------|-------------------|---------------------------|
| Anand Rathi Financial Services Limited | 86,61,123 | 20.81 | (22.67) |
| Anand Rathi | 49,71,390 | 11.95 | (1.35) |
| Pradeep Kumar Gupta | 19,02,012 | 4.57 | (0.92) |

As at March 31, 2021

| Promoter Name | No. of Shares | % of total shares | % Change during the year* |
|--|---------------|-------------------|---------------------------|
| Anand Rathi Financial Services Limited | 1,19,64,082 | 43.48 | (0.79) |
| Anand Rathi | 36,58,260 | 13.30 | (0.24) |
| Pradeep Kumar Gupta | 15,10,508 | 5.49 | (0.10) |

*Percentage change has been computed with respect to the number at the beginning of the year

(vi) **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. 35

16. OTHER EQUITY

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (a) Capital Reserve | | |
| Opening balance | 249.54 | 249.54 |
| Less: Changes during the year | - | - |
| Balance as at the end | 249.54 | 249.54 |
| (b) Securities Premium | | |
| Opening balance | 3,789.48 | 2,521.71 |
| Add: Addition during the year | 212.00 | 1,267.77 |
| Balance as at the end | 4,001.48 | 3,789.48 |
| (c) Share Options Outstanding Account | | |
| Opening Balance | 439.25 | 3.30 |
| Add : Addition during the year | 291.02 | 647.93 |
| Less : Transferred to Securities Premium | (212.00) | (211.77) |
| Less : Reversal during the year | (0.06) | (0.21) |
| Balance as at the end | 518.21 | 439.25 |
| (d) Retained Earnings | | |
| Opening Balance | 20,489.08 | 16,722.82 |
| Less: Utilised for Bonus Issue | (693.60) | - |
| Add: Profit during the year | 12,672.63 | 4,453.89 |
| Add : Reversal of ESOP | 0.06 | 0.21 |
| Less: Dividend Paid | (2,774.41) | (687.84) |
| Balance as at the end | 29,693.76 | 20,489.08 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (e) Other Comprehensive Income | | |
| Opening Balance | (109.91) | (138.16) |
| Remeasurement of defined employee benefit plan | 8.48 | 28.25 |
| Balance as at the end | (101.43) | (109.91) |
| (f) Movement in Non Controlling Interest due to change in Shareholding | | |
| Opening balance | (2,075.68) | (2,075.68) |
| Add: Changes during the year | - | - |
| Balance as at the end | (2,075.68) | (2,075.68) |
| TOTAL OTHER EQUITY | 32,285.87 | 22,781.76 |

Nature and Purpose of Reserves :

Capital Reserve

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

Securities Premium

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

Share Option Outstanding Account

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

Retained earnings

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

Other Comprehensive Income (OCI)

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

17. NON CONTROLLING INTEREST

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Opening Balance | 1,160.03 | 1,157.46 |
| Add: Share in Profit for the year | 7.25 | 1.06 |
| Add: Share in Other Comprehensive Income | (0.35) | 1.51 |
| | 1,166.93 | 1,160.03 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

18. BORROWINGS

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (i) Borrowings - Non current | | |
| Term Loan - Loan against Property (Secured against 8th and 9th Floor (2nd and 3rd Office Floor), Block 'B' and 'C' of Wing E, Trade Link, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai) Terms of repayment - Repayable in 5 Years (20 quarters), last instalment falling due on March 18, 2025 The rate of interest will be I-MCLR 1 Year + Spread, determined at the date of disbursement and reset at end of every 12 months from the date of disbursement. The Company has made regular repayment of principal and interest due over the year | 1,660.70 | 2,487.76 |
| Term Loan - Vehicle Loan (Secured against hypothecation of vehicle purchased) Terms of repayment - Repayable in 36 to 60 equal monthly instalments, last instalment falling due on March 2, 2020 to March 3, 2023. The rate of interest ranges between 8% to 11% p.a. The Company has made regular repayment of principal and interest due over the year | - | 8.61 |
| | 1,660.70 | 2,496.37 |
| (ii) Borrowings - Current | | |
| Current Maturity of Secured Loan from Banks | | |
| Term Loan - Loan against Property | 827.04 | 825.07 |
| Term Loan - Vehicle Loan | 7.40 | 14.55 |
| | 834.44 | 839.62 |

Terms of repayment - Repayable in 36 to 60 equal monthly instalments, last instalment falling due on March 2, 2020 to March 3, 2023.

The rate of interest ranges between 8% to 11% p.a.

The Company has not defaulted in repayment of principal and interest due over the reporting period.

19. TRADE PAYABLES

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Total outstanding dues of micro, small and medium enterprises * | - | 8.15 |
| Total outstanding dues to other than micro, small and medium enterprises | - | 12.08 |
| | - | 20.23 |

* 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

As at March 31, 2022

| Particulars | (₹ in Lakhs) | | | | |
|-----------------------------|--|-----------|-----------|----------------------|-------|
| | Outstanding for following periods from due date of payment | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | - | - | - | - | - |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

As at March 31, 2021

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 8.15 | - | - | - | 8.15 |
| (ii) Others | 12.08 | - | - | - | 12.08 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

(₹ in Lakhs)

20. LEASE LIABILITIES

| Particulars | As at | |
|---------------------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| (i) Non Current Lease Liability | 854.00 | 637.37 |
| | 854.00 | 637.37 |
| (ii) Current Lease Liability | 575.53 | 781.37 |
| | 575.53 | 781.37 |

(₹ in Lakhs)

21. OTHER FINANCIAL LIABILITIES

| Particulars | As at | |
|--------------------------|-----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Employee Benefit Payable | 35.49 | 51.28 |
| Provision for Expenses | 507.78 | 312.14 |
| Advance from Customers | 1,574.32 | 202.39 |
| | 2,117.59 | 565.81 |

(₹ in Lakhs)

22. PROVISIONS

| Particulars | As at | |
|--|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| (i) Provisions - Non Current Employee Benefit Liabilities | | |
| Gratuity Provision | 212.55 | 116.41 |
| | 212.55 | 116.41 |
| (ii) Provisions - Current Employee Benefit Liabilities | | |
| Gratuity Provision | 0.14 | 0.36 |
| Leave Provision | 453.91 | 365.18 |
| Incentive Provision | 4,907.00 | 1,609.50 |
| Provision for Income Tax | 1.09 | 1.75 |
| | 5,362.14 | 1,976.79 |

(₹ in Lakhs)

23. OTHER CURRENT LIABILITIES

| Particulars | As at | |
|---|----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Statutory Dues | 648.22 | 1,004.55 |
| Revenue Received in Advance from Customer | 216.37 | 217.83 |
| Other Liabilities | 0.84 | 0.98 |
| | 865.43 | 1,223.36 |

(₹ in Lakhs)

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

24. REVENUE FROM OPERATIONS

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Mutual Fund Distribution Income | 15,396.61 | 9,023.37 |
| Advisory Fees | - | 149.06 |
| Income from Distribution and Sale of Financial Product | 25,876.01 | 16,864.17 |
| IT Enabled Services | 475.89 | 454.42 |
| Referral Fees | - | 42.00 |
| | 41,748.51 | 26,533.02 |

25. OTHER INCOME

| Particulars | (₹ in Lakhs) | |
|------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Interest Income | 450.09 | 511.93 |
| Gain on Sale of Investments | 257.45 | 265.01 |
| Web Branding and Training Services | - | 396.24 |
| Dividend | 0.82 | 0.63 |
| Miscellaneous and Other Income | 105.64 | 218.02 |
| | 814.00 | 1,391.83 |

26. EMPLOYEE BENEFIT EXPENSES

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Salaries, Incentive and Allowances | 17,771.28 | 13,541.55 |
| Contribution to Provident and Other Funds | 979.20 | 825.73 |
| Share Based Payments to Employees | 291.02 | 647.93 |
| Staff Welfare Expenses | 107.31 | 60.27 |
| | 19,148.81 | 15,075.48 |

The Group is recognising 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.

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.

| Amounts recognised in the Balance Sheet in respect of gratuity (funded by the Company): | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Present value of the funded defined benefit obligation at the end of the year | 815.45 | 721.57 |
| Fair value of plan assets | 692.66 | 604.80 |
| Net Liability/(Asset) | 122.79 | 116.77 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Amounts recognised in Salary, Wages and Employee Benefits in the Profit and Loss Account in respect of gratuity (funded by the Company): | | |
| Current Service cost | 118.19 | 102.22 |
| Interest on Defined Benefit Obligations | 47.36 | 39.13 |
| Expected return on plan assets | (41.73) | (26.18) |
| Past Service Cost – Vested Benefit recognised during the year | - | - |
| Net Gratuity Cost | 123.83 | 115.17 |
| Amount recognised in Other Comprehensive Income (OCI) | | |
| Amount recognised in OCI in beginning of the year | 112.35 | 142.10 |
| Remeasurement due to: | | |
| Effect of Change in financial assumptions | (33.71) | 23.97 |
| Effect of Change in demographic assumptions | - | - |
| Effect of experience adjustments | 36.99 | 26.31 |
| Actuarial (Gains)/Losses | 3.28 | 50.28 |
| Return on plan assets (excluding interest) | 23.45 | 80.03 |
| Total remeasurement recognised in OCI | (20.17) | (29.75) |
| Amount recognised in OCI, End of year | 92.18 | 112.35 |
| Actual Return on Plan Assets : | | |
| Expected Return on Plan Assets | 41.73 | 26.18 |
| Actuarial gain/(loss) on Plan Assets | 23.45 | 80.03 |
| Actual Return on Plan Assets | 65.19 | 106.21 |
| 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 | 721.57 | 613.78 |
| Current Service Cost | 118.19 | 102.22 |
| Interest Cost | 47.36 | 39.13 |
| Liability Transferred out | - | - |
| Actuarial (Gain)/loss | 3.28 | 50.28 |
| Benefits Paid/Reversals | (74.97) | (83.83) |
| Past Service Cost | - | - |
| Closing Defined Benefit Obligation | 815.44 | 721.57 |
| Change in fair value plan assets: | | |
| Opening Fair Value of the plan assets | 604.80 | 396.70 |
| Expected return on plan assets | 41.73 | 26.18 |
| Actuarial (Gain)/loss | 95.54 | 80.03 |
| Contributions by the Employer | (72.87) | 185.73 |
| Benefits Paid | 23.45 | (83.83) |
| Closing Fair value of the plan assets | 692.66 | 604.80 |
| Investment details of plan assets | | |
| Government of India Securities | - | - |
| Corporate Bonds | - | - |
| Special Deposit Scheme | - | - |
| Insurer Managed Fund | 100% | 100% |
| Others | - | - |
| Total | 100% | 100% |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

| Experience Adjustment | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Defined Benefit Obligation | 815.44 | 721.57 |
| Plan Assets | 692.66 | 604.80 |
| (Surplus)/deficit | 122.79 | 116.77 |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | 3.28 | 50.28 |
| Actuarial (Gains)/Losses on Plan Assets - Due to Experience | 95.54 | 80.03 |

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 August 31, 2021 the estimated term of liabilities is 14.21 years, corresponding to which YTM on government bonds is 7.05%, 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 organisation.

Mortality Rate

It is based on Indian Assured Lives Mortality (2012-14) Ult. as issued by Institute of Actuaries of India for the actuarial valuation.

General Description fair value of the plan:

The holding Company has Insurer Managed Fund.

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

| | (₹ in Lakhs) | |
|---|---|--|
| Principal Actuarial Assumptions: | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Discount rate | 7.25% | 6.90% |
| Salary Escalation Rate | 5.00% | 5.00% |
| Attrition Rate | For Service 4 yrs. & Below 20.00 % p.a. & service 4 yrs. and above 2.00 % p.a. | For Service 4 yrs & below 20% p.a. & service above 4 yrs 2% p.a |
| Retirement Age | 60 years | 60 years |

Sensitivity Analysis

The sensitivity analyses have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised 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.

| | (₹ in Lakhs) | |
|---|--|--|
| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Defined Benefit Obligation (Base) | 815.45 | 721.57 |
| Discount Rate | | |
| Increase by 50 bps | 770.66 | 681.39 |
| Impact of increase by 50 bps in Percentage | (5.46%) | (5.57%) |
| Decrease by 50 bps | 864.24 | 765.45 |
| Impact of decrease by 50 bps in Percentage | 5.95% | 6.08% |
| Salary Growth Rate | | |
| Increase by 50 bps | 834.15 | 736.62 |
| Impact of increase by 50 bps in Percentage | 2.15% | 2.09% |
| Decrease by 50 bps | 800.04 | 707.51 |
| Impact of decrease by 50 bps in Percentage | (1.89%) | (1.95%) |
| Expected contribution of Holding Company for the next financial year | 71.40 | 69.90 |
| Weighted Average duration of Holding Company | 13.81 | 14.26 |
| Maturity profile of defined benefit obligation | | |
| Within next 12 months | 72.05 | 70.27 |
| Between 1 and 5 Years | 148.06 | 119.51 |
| Between 6 and 10 Years | 250.59 | 244.64 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

Asset Liability Matching Strategy

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

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

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

For Representative Office

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.

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.

| | (AED in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Amounts recognised in the Balance Sheet in respect of gratuity: | | |
| Present value of the funded defined benefit obligation at the end of the year | 4.35 | 0.00 |
| Less: Fair value of plan assets | 0.00 | 0.00 |
| Net Liability/(Asset) | 4.35 | 0.00 |
| Amounts recognised in Salary, Wages and Employee Benefits in the Profit and Loss Account in respect of gratuity: | | |
| Current Service cost | 4.35 | - |
| Interest on Defined Benefit Obligations | - | - |
| Expected return on plan assets | - | - |
| Past Service Cost – Vested Benefit recognised during the year | - | - |
| Net Gratuity Cost | 4.35 | - |
| Experience Adjustment | | |
| Defined Benefit Obligation | 4.35 | - |
| Plan Assets | - | - |
| (Surplus)/deficit | 4.35 | - |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | - | - |
| Actuarial Gains/(Losses) on Plan Assets - Due to Experience | - | - |
| Weighted average duration of Define benefit obligation | 14.32 Yrs | - |
| Maturity profile of defined benefit obligation | | |
| Within next 12 months | 0.11 | 0.00 |
| Between 1 and 5 Years | 0.43 | 0.00 |
| Between 5 and 10 Years | 0.58 | 0.00 |

Notes to Ind AS Consolidated Financial Statements For the year ended March 31, 2022 (Contd.)

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

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

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

Discount Rate:

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

For valuation as at March 31, 2022 the estimated term of liabilities is 14.32 years, corresponding to which YTM on Dubai bonds is 3.70%.

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 organisation.

Mortality Rate

It is based on Indian Assured Lives Mortality (2012-14) Ult. as issued by Institute of Actuaries of India for the actuarial valuation.

General Description fair value of the plan:

The Company has insurer Managed Fund.

| Principal Actuarial Assumptions: | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|----------------------------------|---|--------------------------------------|
| Discount rate | 3.70% | 0.00% |
| Salary Escalation Rate | 5.00% | 0.00% |
| Attrition Rate | For Service 4 yrs. & Below 20.00 % p.a. & service 4 yrs. and above 2.00 % p.a. | - |
| Mortality Table | Indian Assured Lives Mortality (2012-14) Ult. | - |
| Retirement Age | 60 years | - |

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 recognised 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.

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Defined Benefit Obligation (Base) | 4.35 | 0.00 |
| Discount Rate | | |
| Increase by 50 bps DBO | 3.99 | 0.00 |
| Impact of increase by 50 bps in Percentage | (8.18%) | 0.00% |
| Decrease by 50 bps DBO | 4.75 | 0.00 |
| Impact of decrease by 50 bps in Percentage | 9.11% | 0.00% |
| Salary Growth Rate | | |
| Increase by 50 bps DBO | 4.74 | 0.00 |
| Impact of increase by 50 bps in Percentage | 8.95% | 0.00% |
| Decrease by 50 bps DBO | 4.00 | 0.00 |
| Impact of decrease by 50 bps in Percentage | (8.12%) | 0.00% |
| Expected contribution for the next financial year | 0.00 | 0.00 |
| Weighted Average duration | 14.32 | - |

B Defined Contribution Plans

Amount recognised as an expense under the head Contribution to Provident and other Funds in note 26 Employee Benefit Expenses of Statement of Profit and Loss towards Group's Contribution to Provident Fund is ₹ 706.45 Lakhs (2019-20 ₹ 737.12 Lakhs).

- C** The Code on Social Security, 2020 ('Code'), relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

27. FINANCE COSTS

| Particulars | (₹ in Lakhs) | |
|------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Interest Expense | 201.86 | 288.98 |
| | 201.86 | 288.98 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

28. OTHER EXPENSES

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Business Support Charges | 441.77 | 964.33 |
| Data Processing and IT enabled services | 631.46 | 674.75 |
| Legal and Professional Charges | 199.74 | 154.06 |
| Director Sitting Fees | 19.75 | 9.75 |
| Bad Debts | 0.27 | 60.26 |
| Electricity Expenses | 82.76 | 65.41 |
| Communication Expenses | 163.29 | 196.65 |
| Printing and Stationery | 118.18 | 114.23 |
| Postage and Telegram | 39.78 | 20.56 |
| Rent, Rates and Taxes | 525.32 | 103.50 |
| Repairs and Maintenance | 77.62 | 90.07 |
| Recruitment and Training | 135.83 | 97.96 |
| Business Promotion and Marketing Expenses | 985.68 | 524.47 |
| Computer and Software Maintenance Charges | 114.59 | 87.75 |
| Client Claim | 93.32 | 96.45 |
| Travelling and Conveyance Expenses | 218.14 | 135.98 |
| Insurance Charges | 60.06 | 72.73 |
| Office Expenses | 158.58 | 131.97 |
| Brand Charges | 199.01 | 126.91 |
| Payment to Auditors | | |
| Audit Fees | 51.96 | 14.08 |
| Reimbursement | 0.40 | |
| Tax Audit fees | 0.75 | |
| Other Services/Certification | 3.61 | 1.85 |
| Donation | 110.20 | 105.85 |
| CSR Expenses | 191.72 | 178.78 |
| Transaction Charges | - | 157.38 |
| SEBI Settlement Charges | - | 14.63 |
| Miscellaneous and General Expenses | 255.81 | 298.86 |
| | 4,879.60 | 4,499.22 |

29. INCOME TAX EXPENSES

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Current Tax | | |
| Current tax on profit for the year | 4,039.58 | 1,587.32 |
| Prior Year Taxes | 12.96 | 191.53 |
| Total Current tax expenses | 4,052.54 | 1,778.85 |
| Deferred Tax | | |
| Decrease/(Increase) in deferred tax assets | (17.30) | (1.26) |
| (Decrease)/Increase in deferred tax liabilities | 52.05 | 47.48 |
| MAT credit | - | 0.76 |
| Total deferred tax expenses/benefit | 34.75 | 46.98 |
| Total Income Tax Expenses charged to Profit and Loss | 4,087.29 | 1,825.83 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

Effective Tax Rate Reconciliation

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Applicable Tax Rate (%) | 25.17 | 25.17 |
| Profit before tax | 16,767.17 | 6,288.27 |
| Tax Expenses as per above rate | 4,219.96 | 1,582.72 |
| Expenses Disallowed | 78.22 | 73.43 |
| Exempt Income | (6.01) | (8.84) |
| Items not offered for tax in earlier years | 0.24 | - |
| Net impact on adoption of new tax rate (net) | - | - |
| Deductions u/s 80G and 35AC | - | (13.29) |
| Tax effect due to Intercompany adjustments | - | - |
| Effect of Differential Tax Rate for subsidiary | - | - |
| On Account of Previous Year Adjustments | (172.98) | 191.45 |
| Others | (32.14) | 0.36 |
| Total Tax Expenses Recognised | 4,087.29 | 1,825.83 |
| Effective Tax Rate % | 24.38 | 29.04 |

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

30. BASIS OF CONSOLIDATION

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

| Name of the Subsidiary Companies | Principal place of Business | Effective Percentage Shareholding | |
|---|-----------------------------|-----------------------------------|-------------------------|
| | | As at March 31, 2022 | As at March 31, 2021 |
| i) AR Digital Wealth Private Limited (ARDWPL) | India | 75.51% | 75.51% |
| ii) Freedom Wealth Solutions Private Limited (FWSPL) | India | 95.00% | 95.00% |
| iii) Ffreedom Intermediary Infrastructure Private Limited (FIINFRA) | India | 100.00% | 100.00% |

31. OPERATING SEGMENTS

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

32. LEASE

The incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 9.30% and as at April 1, 2021 is 8.45%

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

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

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

Following is the information pertaining to leases for the year ended

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| (a) Depreciation Charge for Right-of-Use Asset | 847.18 | 1,047.77 |
| (b) Interest Expense on Lease Liability | 123.19 | 180.59 |
| (c) Expense relating to short term leases accounted in profit and loss | 291.12 | 72.81 |
| (d) Total Cash Outflow for Leases for the year (includes expense relating to short term lease also) | 963.74 | 1,148.44 |
| (e) Additions to Right-of-Use Asset | 829.70 | - |
| (f) Deletions from Right-of-Use Asset (Gross Block) | - | 697.57 |
| (g) Deletions from Right-of-Use Asset (Provision for Depreciation) | - | 411.50 |
| (h) Carrying Amount of Right-of-Use Asset | 1,316.60 | 1,292.06 |

During 2020-21, the group had applied Paragraph 46A of Ind AS 116 - Leases as amended by exposure draft on Covid - 19 related Rent Concessions. An amount of ₹ 88.28 Lakhs is recognised in profit or loss for 2020-21 in relation to the rent concessions received.

Maturity Analysis of Lease Liabilities (on Undiscounted basis) :

| Due | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Not later than 1 year | 656.91 | 871.52 |
| Later than 1 year and not later than 5 years | 911.23 | 684.57 |
| Later than 5 years | - | - |
| Total | 1,568.14 | 1,556.09 |

33. RELATED PARTY DISCLOSURE

(a) List of Related Parties

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

Anand Rathi Financial Services Limited

(ii) Key Managerial Persons

Amit Rathi, Director, Managing Director (upto July 16, 2021)

Rakesh Rawal, CEO and Director

Rajesh Bhutara, CFO

Ashish Chauhan, Company Secretary

(iii) Other Related Parties :

Anand Rathi Global Finance Limited

Anand Rathi Share and Stock Brokers Limited

Anand Rathi Commodities Limited

Anand Rathi Insurance Brokers Limited

Anand Rathi Advisors Limited

(Subsidiary of Anand Rathi Global Finance Limited)

Anand Rathi International Ventures (IFSC) Private Limited

(Subsidiary of Anand Rathi Share and Stock Brokers Limited)

Anand Rathi Housing Finance Limited

(Subsidiary of Anand Rathi Global Finance Limited)

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

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

| | | (₹ in Lakhs) | |
|------------------------------------|---|--------------------------------------|--------------------------------------|
| Nature of Transaction/Relationship | | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| (i) | Loan Given | | |
| | Entity of which the Company is an Associate | - | 4,048.62 |
| | Other Related Parties | 8,571.00 | 1,39,508.00 |
| (ii) | Loan Repayment Received | | |
| | Entity of which the Company is an Associate | - | 5,438.73 |
| | Other Related Parties | 8,571.00 | 1,44,584.31 |
| (iii) | Loan Taken | | |
| | Entity of which the Company is an Associate | 31,580.00 | 1,44,467.00 |
| | Other Related Parties | 11,167.00 | 18,012.50 |
| (iv) | Loan Repaid | | |
| | Entity of which the Company is an Associate | 31,580.00 | 1,44,467.00 |
| | Other Related Parties | 11,167.00 | 18,012.50 |
| (v) | Purchase of Debentures | | |
| | Entity of which the Company is an Associate | 1,861.32 | - |
| | Other Related Parties | 2,21,193.34 | 2,70,365.63 |
| (vi) | Sale of Debentures | | |
| | Entity of which the Company is an Associate | 1,860.43 | - |
| | Other Related Parties | 4,304.90 | - |
| (vi) | Support Service Given | | |
| | Other Related Parties | 36.30 | 97.11 |
| | Entity of which the Company is an Associate | - | - |
| (vii) | Support Service Taken | | |
| | Entity of which the Company is an Associate | 497.27 | 804.26 |
| | Other Related Parties | 249.30 | 521.97 |
| (viii) | Brokerage Expenses | | |
| | Other Related Parties | - | 15.57 |
| (ix) | Interest Income | | |
| | Entity of which the Company is an Associate | - | 168.28 |
| | Other Related Parties | 246.41 | 243.99 |
| (x) | Interest Expense | | |
| | Entity of which the Company is an Associate | 25.63 | 59.31 |
| | Other Related Parties | 11.89 | 20.00 |
| (xi) | Rent Expense | | |
| | Entity of which the Company is an Associate | 14.40 | 14.40 |
| | Other Related Parties | 3.00 | 3.00 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

| Nature of Transaction/Relationship | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| (xii) Brand Charges | | |
| Entity of which the Company is an Associate | 200.13 | 126.91 |
| (xiii) Rent Income | | |
| Entity of which the Company is an Associate | | |
| Other Related Parties | 0.45 | 0.60 |
| (xiv) Referral fees Income | | |
| Subsidiary | - | 60.23 |
| (xv) Referral fees Expenditure | | |
| Subsidiary | | - |
| (xvi) Demat Charges | | |
| Other Related Parties | 0.47 | 21.22 |
| (xvii) Remuneration paid to KMP | | |
| Short Term Employee Benefits | 642.88 | 843.71 |
| Share Based Payments | - | 0.02 |

(c) **Outstanding Balances**

| Particulars | (₹ in Lakhs) | |
|------------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (i) Other Receivables | | |
| Other Related Parties | - | 4.44 |

Note 1: Terms of Loan Given to related parties

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

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

34. EARNING PER SHARE

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Net Profit after tax | 12672.63 | 4461.38 |
| Number of equity shares | 4,16,16,227 | 4,12,70,340 |
| Face Value Per Share (in ₹) | 5 | 5 |
| Weighted Average number of equity shares | 4,15,69,351 | 4,10,35,613 |
| Diluted Weighted Average number of equity shares | 4,17,43,293 | 4,15,37,775 |
| Earnings Per Share (in ₹)* | | |
| – Basic | 30.49 | 10.87 |
| – Diluted | 30.36 | 10.74 |

*Adjusted for the effect of bonus shares issued in 2021-22.

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

35. SHARE BASED PAYMENTS

Employees Share Option Plans

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

ESOP Scheme 2017

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

The details of options are as under:

| Particulars | For the year ended March 31, 2022 (Nos.) | For the year ended March 31, 2021 (Nos.) |
|---|--|--|
| Outstanding at the beginning of the year | 91,350 | 1,87,860 |
| Add: Granted during the year | - | - |
| Less: Exercised and shares allotted during the year | 89,280 | 87,000 |
| Less: Exercised but pending allotment | - | - |
| Less: Forfeited/cancelled during the year | - | - |
| Less: Lapsed during the year | 2,070 | 9,510 |
| Outstanding at the end of the year | - | 91,350 |
| Exercisable at the end of the year | - | - |

Fair Value of Options granted

The estimated fair value of each stock option granted is 2.82 as on January 1, 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 per option, Standard Deviation of 52.44%, life of option being 6 months from date of grant, and a risk-free interest rate of 6.51%.

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

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

| Options Granted (in Nos.) | Vesting Date |
|---------------------------|-------------------|
| 52,740 | December 31, 2017 |
| 11,260 | March 31, 2018 |
| 64,000 | December 31, 2018 |
| 96,000 | December 31, 2019 |
| 96,000 | December 31, 2020 |

Notes to Ind AS Consolidated Financial Statements For the year ended March 31, 2022 (Contd.)

ESOP Scheme 2018

During 2018-19, the Board had approved the Policy and the no. of options to be granted to the Employees that will vest in a graded manner and which can be exercised within a specified period. The Board has approved 2,60,100 options at an exercise price of ₹ 5/- per option to the employees. During the meeting held on June 14, 2021, the Board has approved 20,000 options at an exercise price of ₹ 5/- per option.

The details of options are as under:

| Particulars | For the year ended March 31, 2022 (Nos.) | For the year ended March 31, 2021 (Nos.) |
|---|--|--|
| Outstanding at the beginning of the year | 2,08,080 | 2,60,100 |
| Add: Granted during the year | 20,000 | - |
| Less: Exercised and shares allotted during the year | 52,020 | 52,020 |
| Less: Exercised but pending allotment | - | - |
| Less: Forfeited/cancelled during the year | - | - |
| Less: Lapsed during the year | - | - |
| Outstanding at the end of the year | 1,76,060 | 2,08,080 |
| Exercisable at the end of the year | - | - |

Fair Value of Options granted

The estimated fair value of each stock option granted is 407 as on March 11, 2019. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer. The model inputs the share price at respective grant dates, exercise price of ₹ 5/- per option, Standard Deviation of 51.15%, life of option being 3 months from the date of grant, and a risk-free interest rate of 7.35%.

The options were approved by the Board on March 11, 2019 under ESOP 2018 and were communicated to employees on April 1, 2020. 20,000 options approved by the Board on June 14, 2021 under ESOP 2018 were communicated to the employees on June 14, 2021. ESOP 2018 has an exercise price of ₹ 5 per option, and would vest over the period as under:

| Options Granted (in Nos.) | Vesting Date |
|---------------------------|---------------|
| 52,020 | April 1, 2020 |
| 52,020 | April 1, 2021 |
| 72,020 | April 1, 2022 |
| 52,020 | April 1, 2023 |
| 52,020 | April 1, 2024 |

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

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Total Carrying Amount | 518.21 | 439.25 |
| Amount debited to Statement of Profit and Loss | 291.02 | 647.93 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

36. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on the activities which are specified in Schedule VII of the Companies Act, 2013:

| Particulars | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Details of corporate social responsibility expenditure | | |
| (a) amount required to be spent by the Company during the year | 191.82 | 178.04 |
| (b) amount of expenditure incurred | | |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 191.72 | 178.78 |
| (c) Surplus/(shortfall) at the end of the year | (0.10) | 0.74 |
| (d) total of previous years surplus/(shortfall) | 0.74 | - |
| (e) surplus carried forward as per proviso to section 135 (5) | 0.64 | 0.74 |
| (f) reason for shortfall during the year ended : | NA | NA |

Nature of CSR activities :

The group has primarily spent the CSR expenditure for the purpose of promoting education and Medical purpose. The expenditure incurred during the year has been recommended by the CSR Committee and approved by the board of directors.

37. CAPITAL MANAGEMENT

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

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

| Particulars | (₹ in Lakhs) | |
|--------------------------------------|--|--|
| | For the year ended March 31, 2022 (Nos.) | For the year ended March 31, 2021 (Nos.) |
| Equity | 2,080.81 | 1,375.68 |
| Other Equity | 32,285.87 | 22,781.76 |
| Non Controlling Interest | 1,166.93 | 1,160.03 |
| Total Equity (A) | 35,533.61 | 25,317.47 |
| Borrowings | 2,495.14 | 3,335.99 |
| Total Debt (B) | 2,495.14 | 3,335.99 |
| Total Debt and Equity (C=A+B) | 38,028.75 | 28,653.46 |
| Capital Gearing Ratio (B/C) | 0.066 | 0.116 |

38. BUSINESS COMBINATIONS

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

AR Digital Wealth Private Limited (ARDWPL) is engaged in the business of Digital Wealth Management. The consideration paid for shares of ARDWPL in July 2016 is ₹ 252.00 Lakh, in March 2018 is ₹ 690.25 Lakh and in 2018-19 is ₹ 4204.81 Lakh. The fair value per share for the aforesaid acquisitions is ₹ 10, ₹ 256 and ₹ 332 (Average price of 3 lots purchased during the year) respectively.

Notes to Ind AS Consolidated Financial Statements For the year ended March 31, 2022 (Contd.)

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

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

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

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

| Name of Company | No. of Shares | % of Shares Acquired |
|---|---------------|----------------------|
| AR Digital Wealth Private Limited | | |
| July 13, 2016 | 25,20,000 | 60.30% |
| March 14, 2018 | 5,574 | 0.13% |
| March 16, 2018 | 1,70,246 | 4.07% |
| March 16, 2018 | 51,074 | 1.22% |
| March 16, 2018 | 39,157 | 0.94% |
| March 22, 2018 | 5,574 | 0.13% |
| May 3, 2018 | 58,361 | 1.40% |
| February 5, 2019 | 11,94,029 | 7.07% |
| March 27, 2019 | 13,044 | 0.24% |
| Freedom Wealth Solutions Private Limited | | |
| September 25, 2017 | 23,71,625 | 95.01% |
| Ffreedom Intermediary Infrastructure Private Limited | | |
| February 13, 2020 | 2,99,419 | 50.00% |
| March 31, 2020 | 2,99,418 | 36.11% |
| March 31, 2020 | 2,30,415 | 13.89% |

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

| (₹ in Lakhs) | | | |
|---------------------------|-------------|---------------|---------------|
| | ARDWPL | FIINFRA | Total |
| Consideration Paid | 252.00 | 25.00 | 277.00 |
| Less: Net Assets Acquired | 249.51 | (262.62) | (13.11) |
| Goodwill | 2.49 | 287.62 | 290.11 |

| (₹ in Lakhs) | |
|---------------------------|---------------|
| | FWSPL |
| Net Assets Acquired | 330.29 |
| Less : Consideration Paid | 80.75 |
| Capital Reserve | 249.54 |

Total Profit After Tax in Consolidated Financial Statements is ₹ 12679.88 Lakhs (P.Y. ₹ 4462.44 Lakhs) which includes profit/(loss) of subsidiaries also, i.e. ₹ 24.72 Lakhs (P.Y. ₹ 4.65 Lakhs) of AR Digital Wealth Private Limited, ₹ 23.79 Lakhs (P.Y. ₹ 6.02 Lakhs) of Freedom Wealth Solutions Private Limited and ₹ 86.51 Lakhs (P.Y. ₹ 30.04 Lakhs) of Ffreedom Intermediary Infrastructure Private Limited of 2021-22.

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

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

| (₹ in Lakhs) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Liabilities disputed - appeals filed with respect to: | | |
| Income Tax demand for Assessment Year 2013-14* | - | 41.66 |
| Income Tax demand for Assessment Year 2013-14 (Penalty order under sec 271(1)(c)) | 46.24 | 46.24 |
| Income Tax demand for Assessment Year 2015-16* | - | 114.36 |
| Total | 46.24 | 202.26 |

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

40. (a) The Group does not have any other pending litigation which would impact its financial position.
(b) The Group does not have any open derivative contracts at the reporting date.

41. CAPITAL COMMITMENTS

| (₹ in Lakhs) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Capital commitment for furnishing of Trade Link Office, Lower Parel Mumbai | 387.97 | - |

42. 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, 2022 and March 31, 2021 has been made in the Ind AS Consolidated Financial Statements based on information received and available with the Group.

| (₹ in Lakhs) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| The principal amount remaining unpaid to any supplier at the end of each accounting year; | - | 8.15 |
| The interest due thereon remaining unpaid to any supplier at the end of each accounting year; | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| The amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| | - | 8.15 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

43. FINANCIAL RATIOS

Accounting classification and fair values

| Particulars | March 31, 2022 | March 31, 2021 | Remarks for variation of more than 25% |
|--------------------------------|----------------|----------------|--|
| 1. Current Ratio | 2.06 | 1.74 | Current Ratio increased in 2021-22 vs 2020-21 due to: - Increase in FDRs of ₹ 8594.76 Lakhs partially off set by - Increase in Incentive provision by ₹ 3297.50 Lakhs |
| 2. Debt Equity Ratio | 0.07 | 0.14 | Debt Equity Ratio decreased in 2021-22 vs 2020-21 due to: - Bonus equity share issuance of ₹ 693.60 Lakhs - Increase in Other Equity by ₹ 9504.12 Lakhs mainly due to increase in PAT - Reduction in Term loan by ₹ 840.85 Lakhs. |
| 3. Debt Service Coverage Ratio | 6.99 | 2.80 | Debt Service Coverage ratio increased in 2021-22 vs 2020-21 due to: - Increase in PAT ₹ 12679.88 Lakhs vs ₹ 4462.44 Lakhs - Decrease in Interest cost ₹ 201.86 Lakhs vs ₹ 288.98 Lakhs - Decrease in Lease rent ₹ 967.94 Lakhs vs ₹ 1124.84 Lakhs |
| 4. Return on Equity Ratio | 43.33% | 20.86% | RoE ratio improved in 2021-22 vs 2020-21 due to: - Increase in PAT ₹ 12679.88 Lakhs vs ₹ 4462.44 Lakhs - Despite of increase in average Equity in 2021-22 |
| 5. Net capital turnover ratio | 4.03 | 6.61 | Net capital turnover ratio decreased in 2021-22 vs 2020-21 due to: - Increase in Net working capital by ₹ 6351.53 Lakhs (due to increase in FDRs) |
| 6. Profit ratio | 30.37% | 16.82% | Profit ratio improved in 2021-22 vs 2020-21 due to: - Increase in PAT ₹ 12679.88 Lakhs vs ₹ 4462.44 Lakhs |
| 7. Return on Capital Employed | 38.04% | 19.81% | RoCE ratio improved in 2021-22 vs 2020-21 due to: - Increase in Adjusted EBIT ₹ 12881.74 Lakhs vs ₹ 4751.42 Lakhs |

Explanations to items included in computing the above ratios

1. Current Ratio: Current Asset over Current Liabilities
2. Debt-Equity Ratio: Debt (includes Current and Non-Current Borrowings excluding lease liabilities) over total share holders equity (Includes average of opening and closing equity capital and other equity).
3. Debt Service Coverage Ratio: Earnings available for debt service (includes profit after tax, depreciation and finance cost) over debt service (includes interest on borrowings - car loan and property loan, principal repayment made and lease payments).
4. Return on Equity Ratio: Profit After Tax over Equity (includes average of opening and closing equity capital and other equity).
5. Net capital turnover ratio: Revenue from operations over average working capital (current assets net of current liabilities).
6. Net profit ratio: Profit After Tax over Revenue from operations
7. Return on Capital employed: Earnings Before Interest and Tax over Capital Employed (which includes tangible net worth and total debt).

Note:

- (a). Considering the nature of business activities, only ratios applicable to the group are provided.
- (b). The Non-GAAP measures presented may not be comparable to similarly titled measures reported by other companies.

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

44. FINANCIAL INSTRUMENT - FAIR VALUES

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(₹ in Lakhs)

| March 31, 2022 | Fair value | | | | |
|---------------------------------------|--------------------|---|---|---|--------------------|
| | Carrying Amount | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total Fair Value |
| Financial assets | | | | | |
| FVTPL | | | | | |
| (i) Investments in Mutual Fund | - | - | - | - | - |
| | (16.22) | (16.22) | - | - | (16.22) |
| (ii) Unquoted Debentures | 935.08 | - | - | 935.08 | 935.08 |
| | (836.19) | - | - | (836.19) | (836.19) |
| (iii) Investment in PMS | - | - | - | - | - |
| | (251.62) | (156.07) | - | (95.55) | (251.62) |
| (iv) Equity Shares of Other Companies | 10,350.00 | - | - | 10,350.00 | 10,350.00 |
| | (10,181.48) | - | - | (10,181.48) | (10,181.48) |
| Amortised Cost | | | | | |
| (i) Loans | - | - | - | - | - |
| | - | - | - | - | - |
| (ii) Security Deposit | 974.11 | - | - | - | 974.11 |
| | (319.27) | - | - | - | (319.27) |
| (iii) Trade receivables | 1,489.89 | - | - | - | 1,489.89 |
| | (1,086.54) | - | - | - | (1,086.54) |
| (iv) Cash and cash equivalents | 8,710.90 | - | - | - | 8,710.90 |
| | (6,531.82) | - | - | - | (6,531.82) |
| (v) Bank Balances other than above | - | - | - | - | - |
| | (4.66) | - | - | - | (4.66) |
| (vi) Other Financial Assets | 7,708.33 | - | - | - | 7,708.33 |
| | (642.92) | - | - | - | (642.92) |
| | 30,168.31 | - | - | 11,285.08 | 30,168.31 |
| | (19,870.72) | (172.29) | - | (11,113.22) | (19,870.72) |

(₹ in Lakhs)

| March 31, 2022 | Fair value | | | | |
|-----------------------------------|-------------------|---|---|---|-------------------|
| | Carrying Amount | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total Fair Value |
| Financial liabilities | | | | | |
| FVTPL | | | | | |
| Amortised Cost | | | | | |
| (i) Borrowings | 2,495.14 | - | - | - | 2,495.14 |
| | (3,335.99) | - | - | - | (3,335.99) |
| (ii) Trade payables | - | - | - | - | - |
| | (20.23) | - | - | - | (20.23) |
| (iii) Lease Liability | 1,429.53 | - | - | - | 1,429.53 |
| | (1,418.74) | - | - | - | (1,418.74) |
| (iii) Other Financial Liabilities | 2,117.59 | - | - | - | 2,117.59 |
| | (565.81) | - | - | - | (565.81) |
| | 6,042.26 | - | - | - | 6,042.26 |
| | (5,340.77) | - | - | - | (5,340.77) |

Notes to Ind AS Consolidated Financial Statements For the year ended March 31, 2022 (Contd.)

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

Valuation techniques used to determine the fair values:

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

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended March 31, 2022 and March 31, 2021.

| Particulars | Unquoted Debentures | PMS | Equity Shares in Other Companies |
|---|---------------------|----------|----------------------------------|
| Opening Balance as on April 1, 2021 | 836.19 | 95.55 | 10,181.48 |
| Acquisitions | 5,37,831.38 | - | - |
| Realised/unrealised Gains/(Losses) recognised | 25,671.77 | 86.99 | 168.52 |
| Realisations | 5,63,404.25 | 182.54 | - |
| Closing Balance as on March 31, 2022 | 935.09 | - | 10,350.00 |

| Particulars | Unquoted Debentures | PMS | Equity Shares in Other Companies |
|---|---------------------|--------------|----------------------------------|
| Opening Balance as on April 1, 2020 | 2,481.51 | 73.90 | 10,131.75 |
| Acquisitions | 4,57,753.05 | - | - |
| Gains/(Losses) recognised | 21,274.89 | 21.65 | 49.73 |
| Realisation | 4,80,673.25 | - | - |
| Closing Balance as on March 31, 2021 | 836.19 | 95.55 | 10,181.48 |

Sensitivity analysis of Level 3 instruments

| Nature of instrument | Fair Value as at March 31, 2022 | Significant unobservable inputs | Increase/decrease in the unobservable input | Sensitivity Impact for year ended March 31, 2022 for FV increase | Sensitivity Impact for year ended March 31, 2022 for FV decrease |
|--|---------------------------------|------------------------------------|---|--|--|
| (i) Unquoted Debentures | 935.09 | Impact estimated by the management | 5% | 46.75 | (46.75) |
| (ii) PMS | - | | 5% | - | - |
| (iii) Equity Shares of Other Companies | 10,350.00 | | 5% | 517.50 | (517.50) |

- 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.
- Financial instruments carried at amortised cost such as cash and margin money deposits, trade and other receivables, trade payables, borrowings and other current financial instruments approximate their fair values largely due to short term maturities of these instruments.

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

45. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Risk management framework

The Group's activities expose it to a variety of financial risks, including market risk, credit risk, liquidity risk and currency risk. The Group's primary risk management focus is to minimise potential adverse effects on revenue. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Board of Directors and the Audit Committee of the Holding Company is responsible for overseeing the Group's risk assessment and management policies and processes.

Liquidity risk

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

Exposure to liquidity risk

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

| March 31, 2022 | Contractual Cash Flows (₹ in Lakhs) | | | | | |
|-----------------------------|-------------------------------------|----------|-----------|--------------------|-------------|-----------|
| | Carrying amount | Total | On Demand | Less than 3 months | 3-12 months | 1-5 years |
| Borrowings | 2,495.15 | 2,495.15 | - | 209.26 | 209.41 | 2,076.48 |
| Lease Liabilities | 1,429.53 | 1,429.54 | - | 140.96 | 434.58 | 854.00 |
| Trade Payables | - | - | - | - | - | - |
| Other Financial Liabilities | 2,117.59 | 2,117.59 | - | 2,117.59 | - | - |

| March 31, 2021 | Contractual Cash Flows (₹ in Lakhs) | | | | | |
|-----------------------------|-------------------------------------|----------|-----------|--------------------|-------------|-----------|
| | Carrying amount | Total | On Demand | Less than 3 months | 3-12 months | 1-5 years |
| Borrowings | 3,335.99 | 3,335.99 | - | 209.62 | 630.00 | 2,496.37 |
| Lease Liabilities | 1,418.74 | 1,418.74 | - | 227.57 | 553.80 | 637.37 |
| Trade Payables | 20.23 | 20.23 | - | 20.23 | - | - |
| Other Financial Liabilities | 565.81 | 565.81 | - | 565.81 | - | - |

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, security deposits, capital advances and investment securities.

Customer credit risk is managed by the Group 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.

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

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

(₹ in Lakhs)

| Particulars | March 31, 2022 | March 31, 2021 |
|----------------------------------|----------------|----------------|
| Security Deposit | 974.11 | 319.27 |
| Trade Receivables | 1,489.89 | 1,086.54 |
| Purchase of Debentures | 935.08 | 836.19 |
| Investment in Mutual Funds | - | 16.22 |
| Investment in PMS | - | 251.62 |
| Fixed Deposits with Banks | 14,483.76 | 5,896.66 |
| Bank Balances in Current Account | 762.25 | 1,189.91 |
| Other Financial Assets | 1,075.12 | 43.90 |
| Accrued Interest | 89.45 | 47.02 |

(i) AGE OF TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | March 31, 2021 |
|-----------------------------|-------------------------|-----------------|
| Within the credit period | 1,483.69 | 1,047.88 |
| 1-30 days Past Dues | 6.20 | 24.24 |
| 31-60 days Past Dues | - | 5.48 |
| 61-90 days Past Dues | - | 1.33 |
| More than 90 days past dues | - | 7.61 |
| | 1,489.89 | 1,086.54 |

(ii) MOVEMENT IN THE EXPECTED CREDIT LOSS ALLOWANCE

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Balance at end of the year | - | - |
| Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit loss | - | - |
| Balance at end of the year | - | - |

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

Market Risk

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

Interest rate risk

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

Sensitivity Analysis:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Floating Rate Liability | 2487.74 | 3312.84 |
| A hypothetical 1% shift in underlying benchmark rates will have the below impact : | | |
| Impact on Profit and Loss | | |
| Increase of 1% | (9.94) | (0.82) |
| Decrease of 1% | 9.94 | 0.82 |

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

Price Risk

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

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

| | (₹ in Lakhs) | |
|----------------------------------|-----------------------|-----------------------|
| Impact on Profit and Loss | Increase by 1% | Decrease by 1% |
| Investment in Mutual Fund | - | - |
| Investment in PMS | - | - |
| Investment in Other Entities | 103.50 | (103.50) |

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

| Particulars | March 31, 2022 | March 31, 2021 |
|------------------------------|-----------------------|-----------------------|
| Investment in Mutual Fund | 0.00 | 16.21 |
| Investment in PMS | 0.00 | 251.62 |
| Investment in Other Entities | 10350.00 | 10181.48 |

Currency Risk

The Company has a Foreign Representative Office in Dubai since March 7, 2021 vide its approval from UAE Government and renewed till March 5, 2023. The Company has Fixed Assets, Current Assets, Current Liabilities, Income and Expenses of Foreign Representative office situated at Dubai (UAE):

The Company is exposed to foreign exchange risk arising from foreign currency transactions with respect to the AED. Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

At the reporting date, the exposure to foreign currency is as under:

| | (AED in Lakhs) | |
|----------------------------------|-----------------------|-----------------------|
| Particulars | March 31, 2022 | March 31, 2021 |
| Bank Balances in Current Account | 9.60 | - |
| Staff Advances | 0.45 | - |
| Prepaid Expenses | 0.20 | - |
| | 10.25 | - |

Sensitivity analysis

A reasonably possible strengthening (weakening) against all currencies at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| | (₹ in Lakhs) | |
|-----------------------|-----------------------|------------------|
| Particulars | Profit or loss | |
| | Strengthening | Weakening |
| March 31, 2022 | | |
| AED (1% movement) | 2.12 | (2.12) |
| March 31, 2021 | | |
| AED (1% movement) | - | - |

Notes to Ind AS Consolidated Financial Statements For the year ended March 31, 2022 (Contd.)

46. COST SHARING

Anand Rathi Financial Services Limited, Anand Rathi Global Finance Limited, Anand Rathi Share and Stock Brokers Limited and Anand Rathi Advisors Limited incurs expenditure in the nature of Business support costs, etc. which is for the benefit of the group. The cost so expended is reimbursed by the group on the basis of number of employees, time spent by employees, actual billings, etc. Accordingly, the expenditure noted under the head 'Business Support charges' in note 28 are inclusive of the reimbursements.

47. DIVIDENDS

The final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income Tax consequences of dividends on financial instruments classified as equity will be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits.

The Holding Company declares and pay the dividends in Indian rupee. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognised as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

| Particulars | (₹ in Amount) | |
|------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Interim Dividend for 2021-22 | 5.00 | - |
| Final dividend for 2020-21 | 2.50 | - |
| Interim dividend for 2020-21 | - | 2.50 |

During the year ended March 31, 2022 on account of the final dividend for 2020-21, and interim dividend for 2021-22 the Holding Company has incurred a net cash outflow of ₹ 2,774.41 Lakhs.

The Board of Directors in their meeting held on April 12, 2022 recommended a final dividend of ₹ 6 per equity share for the financial year ended March 31, 2022. This pay-out is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Holding Company and if approved would result in a net cash outflow of approximately ₹ 2,496.97 Lakhs.

48. REVISED SCHEDULE III DISCLOSURE

The Group has considered the amendments to Schedule III of the Companies Act 2013 notified by Ministry of Corporate Affairs ("MCA") via notification dated March 24, 2021 in the Ind AS Consolidated Financial Statement, wherever applicable.

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

Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

50. ADDITIONAL NOTES FOR IND AS CONSOLIDATED FINANCIAL STATEMENTS :

| Sr. No. | Name of the entity in the group | As at March 31, 2022 (2021-22) | | | | | | | |
|---------|--|--|---------------------|----------------------------------|---------------------|---|---------------------|---|---------------------|
| | | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income (TCI) | |
| | | As % of consolidated net assets | Amount (₹ in Lakhs) | As % of consolidated profit/loss | Amount (₹ in Lakhs) | As % of consolidated OCI | Amount (₹ in Lakhs) | As % of consolidated TCI | Amount (₹ in Lakhs) |
| (i) | Parent | | | | | | | | |
| | Anand Rathi Wealth Limited | 80.82% | 28,716.65 | 98.94% | 12,544.87 | 109.68% | 8.92 | 98.94% | 12,553.79 |
| (ii) | Subsidiaries | | | | | | | | |
| (a) | AR Digital Wealth Private Limited | 9.91% | 3,520.99 | 0.15% | 18.66 | (13.17%) | (1.07) | 0.14% | 17.59 |
| (b) | Freedom Wealth Solutions Private Limited | 1.33% | 474.34 | 0.18% | 22.60 | 0.00% | - | 0.18% | 22.60 |
| (c) | Freedom Intermediary Infrastructure Private Limited | 4.66% | 1,654.70 | 0.68% | 86.50 | 7.76% | 0.63 | 0.69% | 87.13 |
| (iii) | Non Controlling Interest in Subsidiaries | | | | | | | | |
| (a) | AR Digital Wealth Private Limited | 3.21% | 1,141.97 | 0.05% | 6.06 | (4.27%) | (0.35) | 0.04% | 5.71 |
| (b) | Freedom Wealth Solutions Private Limited | 0.07% | 24.96 | 0.01% | 1.19 | 0.00% | - | 0.01% | 1.19 |
| (c) | Ffreedom Intermediary Infrastructure Private Limited | 0.00% | 0.00 | 0.00% | - | 0.00% | - | 0.00% | - |
| | Total | 100.00% | 35,533.61 | 100.00% | 12,679.88 | 100.00% | 8.13 | 100.00% | 12,688.01 |



Notes to Ind AS Consolidated Financial Statements
For the year ended March 31, 2022 (Contd.)

| Sr. No. | Name of the entity in the group | 2020-21 | | | | | | | |
|---------|--|--|---------------------|----------------------------------|---------------------|---|---------------------|---|---------------------|
| | | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income (TCI) | |
| | | As % of consolidated net assets | Amount (₹ in Lakhs) | As % of consolidated profit/loss | Amount (₹ in Lakhs) | As % of consolidated OCI | Amount (₹ in Lakhs) | As % of consolidated TCI | Amount (₹ in Lakhs) |
| (i) | Parent | | | | | | | | |
| | Anand Rathi Wealth Limited | 73.60% | 18,634.74 | 99.19% | 4,421.73 | 37.58% | 8.37 | 98.78% | 4,430.10 |
| (ii) | Subsidiaries | | | | | | | | |
| (a) | AR Digital Wealth Private Limited | 13.84% | 3,503.40 | 0.05% | 3.51 | 15.58% | 3.47 | 0.16% | 6.98 |
| (b) | Freedom Wealth Solutions Private Limited | 1.78% | 451.74 | 0.13% | 5.72 | 0.00% | - | 0.13% | 5.72 |
| (c) | Ffreedom Intermediary Infrastructure Private Limited | 6.19% | 1,567.56 | 0.60% | 30.04 | 41.77% | 9.30 | 0.88% | 39.34 |
| (iii) | Non Controlling Interest in Subsidiaries | | | | | | | | |
| (a) | AR Digital Wealth Private Limited | 4.49% | 1,136.26 | 0.02% | 1.14 | 5.06% | 1.13 | 0.05% | 2.27 |
| (b) | Freedom Wealth Solutions Private Limited | 0.09% | 23.77 | 0.01% | 0.30 | 0.00% | - | 0.01% | 0.30 |
| (c) | Ffreedom Intermediary Infrastructure Private Limited | 0.00% | 0.00 | 0.00% | - | 0.00% | - | 0.00% | - |
| | Total | 100.00% | 25,317.47 | 100.00% | 4,462.44 | 100.00% | 22.27 | 100.00% | 4,484.71 |

As per our attached report of even date.

For and on Behalf of Board of Directors

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

Anand Rathi
Chairman
and Non-Executive Director
DIN : 00112853

Rakesh Rawal
Chief Executive Officer
and Director
DIN : 02839168

Gautam V Shah
Partner
Membership No: 117348

Ashish Chauhan
Company Secretary

Rajesh Bhutara
Chief Financial Officer

Mumbai
Date: April 12, 2022

ANAND RATHI WEALTH LIMITED

(Formerly known as Anand Rathi Wealth Services Limited)

Regd. Office: Express Zone, A Wing, 10th Floor, Western Express Highway,

Goregaon East, Mumbai – 400 0063

CIN No: U67120MH1995PLC086696

Tel.No: 022-62817000|Email:csarwsl@rathi.com|URL: https://anandrathiwealth.in/

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF ANAND RATHI WEALTH LIMITED WILL BE HELD ON FRIDAY, 12TH AUGUST, 2022 AT 02.30 P.M. (IST) THROUGH VIDEO CONFERENCING (VC)/ OTHER AUDIO VISUAL MEANS (OAVM) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

To consider, and if thought fit, to pass resolution nos. 1 to 4 as ordinary resolutions:

- 1. To receive, consider and adopt Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon**

“RESOLVED THAT the Audited standalone and consolidated financial statements of the Company comprising of Balance Sheet as at March 31, 2022, Profit and Loss Account, cash flow statement and statement of change in equity for the year ended on that date along with schedules and notes thereon and the Boards’ Report and Auditors’ Report as at March 31, 2022, as circulated to the members with the Notice of Annual General Meeting and submitted to this meeting be and are hereby received, considered and adopted”.

- 2. To approve payment of final dividend and to confirm interim dividend paid during 2021-22**

“RESOLVED THAT the final dividend of ₹ 6/- per equity share for 2021-22 be and is hereby declared and approved and the same be paid to those shareholders whose name appears in the register of members as on Wednesday, August 3, 2022, being the record date for the purpose of final dividend.

RESOLVED FURTHER THAT the interim dividend of ₹ 5.00/- per equity share paid during 2021-22 be and is hereby noted and confirmed.”

- 3. To re-appoint Mr.Anand Rathi(DIN: 00112853) as Director liable to retire by rotation**

“RESOLVED THAT Mr. Anand Rathi (DIN-00112853), Director of the Company, who retires by rotation at this meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation.”

- 4. To re-appoint M/s kkc & associates llp (formerly M/s Khimji Kunverji and Co. LLP) as Statutory Auditors of the Company and to fix their remuneration:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s kkc & associates llp (formerly M/s Khimji Kunverji and Co. LLP), Chartered Accountants, Mumbai (Registration No- 105146W/W100621) be and are hereby reappointed as Statutory auditor of the Company to hold office from the conclusion of this Annual General Meeting held in 2022 till the conclusion of Annual General Meeting to be held in the year 2027, at a remuneration of ₹ 50,00,000/- (Rupees Fifty Lakhs) per annum p.a. with the authority to the Board of Directors, in consultation with the Audit Committee, to alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

RESOLVED FURTHER THAT the Board of directors of the Company, be and is hereby authorised to do all such acts, deeds and things as may be required or deem necessary including but not limited to finalising the terms of appointment and filing necessary returns with the office of the Registrar of Companies etc.”

SPECIAL BUSINESS

- 5. To grant authority to the Board for making donation to bona fide charitable and other fund.**

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

“RESOLVED THAT pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made

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thereunder, (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), and other applicable regulations, if any, the consent of the Members of the Company be and is hereby accorded to contribute, donate, or otherwise provide financial assistance from time to time to any bona fide charitable, social, benevolent and other funds, body, university, institute, society, trust, etc. for charitable and other purposes, subject to a maximum limit upto ₹ 5 Crores (Rupees Five Crores only) in aggregate for 2022-23.

RESOLVED FURTHER THAT the Board of Company, Chairman of the Board and the Executive Director, be and are hereby severally authorised to identify the eligible bona fide charitable, social, benevolent and other funds, body, university, institute, society, trust, etc. and decide the amount of donation proposed to be made to each such bodies and to do all such acts, deeds, matters and things incidental and ancillary thereto as may be thought necessary and/or felt expedient, to give effect to aforesaid resolution .”

6. To approve Material Related Party Transaction

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (‘Act’) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, to the extent applicable, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the SEBI Listing Regulations’), including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the Company’s Policy on Related Party Transactions (‘RPT’) and subject to such approval(s)/consent(s)/permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Board of Directors (‘the Board’, which term shall include any Committee) or Key Managerial Personnel of the Company to enter into RPT with Anand Rathi Global

Finance Limited (‘ARGFL’), the Group Company of the Company and a ‘Related Party’ under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, for the Financial Year 2022-23 up to a maximum of 4,000 Crore number of Debentures, in the ordinary course of business of the Company and on arm’s length basis, in the nature of:

“Purchase of Market linked Debentures on such terms and conditions as detailed out in the explanatory statement to this Resolution and as may be mutually agreed between Anand Rathi Global Finance Limited and the Company.”

RESOLVED FURTHER THAT the Board or Key Managerial Personnel of the Company, be and is hereby authorised to sign, execute, alter and/or negotiate all such deeds, agreements, contracts, transactions, applications, documents, papers, forms and writings that may be required, for and on behalf of the Company and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion to give effect to this resolution and for resolving all such issues, questions, difficulties or doubts whatsoever that may arise in this regard.”

7. To Approve ‘ANAND RATHI - Employees Stock Option Plan 2022’

To consider and, if thought fit, to pass the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013 (‘the Act’) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board Of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto (‘the **SEBI SBEB and Sweat Equity Regulations**’), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the **SEBI LODR Regulations**’), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject

to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as "**the Board**") which term shall be deemed to include the Compensation Committee / Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the '**ANAND RATHI - Employees Stock Option Plan 2022**' ("**AR ESOP - 2022**") the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, including a non-executive director, but excluding Promoter, Promoter group and independent Directors, a director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "**Employees**") selected on the basis of criteria decided by the Board under the AR ESOP - 2022, such number of stock options convertible into Equity Shares of the Company ("**Options**"), in one or more tranches, not exceeding 90,000 (Ninety Thousand) equity shares of face value of Rs. 5/- each (Rupees Five), at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the AR ESOP - 2022, and all provisions of applicable laws.

RESOLVED FURTHER THAT the AR ESOP - 2022 may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the AR ESOP - 2022 and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger, buy-back, scheme of arrangement and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the AR ESOP - 2022 and the exercise price of Options granted under the AR ESOP - 2022 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 5/- per equity share bears to their revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the AR ESOP - 2022.

RESOLVED FURTHER THAT without prejudice to the generality of the above; the Board, which includes the Compensation/ Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the AR ESOP - 2022, determine the detailed terms and conditions of the aforementioned AR ESOP - 2022 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at price, at such time and on such terms and conditions as set out in the AR ESOP - 2022 and as the Board or the Compensation/ Nomination and Remuneration Committee may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation Committee (hereinafter collectively referred to as "**Employees**") in accordance with Regulation 5(1) and Regulation 5(2) of the SEBI SBEB

and Sweat Equity Regulations for the purposes of administration of AR ESOP - 2022.

RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the AR ESOP - 2022 as it may deem fit, from time to time or to suspend, withdraw or revive the AR ESOP - 2022 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the AR ESOP - 2022 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI SBEB and Sweat Equity Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the AR ESOP - 2022 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to the Committee, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

8. **To extend approval of 'ANAND RATHI - Employees Stock Option Plan 2022' to the present and future employees of Holding Company, Associate Companies, Group Companies and its Subsidiary**

Companies and in this regard, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 ("**the Act**") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board Of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto ("**the SEBI SBEB and Sweat Equity Regulations**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the SEBI LODR Regulations**"), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "**the Board**", which term shall be deemed to include any Committee including the Compensation/ Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), consent and approval of the Shareholders be and is hereby accorded to extend the benefits of '**ANAND RATHI - Employees Stock Option Plan 2022**' ("**AR ESOP - 2022**") to such persons who are in the employment of the Holding Company, Group Companies, Associate Companies and its Subsidiary Companies (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), whether working in India or out of India and to the directors of the Holding Company, Group Companies, Associate Companies or its Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/ or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the AR ESOP - 2022.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the AR ESOP – 2022 from time to time or to suspend, withdraw, or revive AR ESOP - 2022 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or

doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.”

**BY ORDER OF THE BOARD OF DIRECTORS
FOR ANAND RATHI WEALTH LIMITED**

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

Date: July 12, 2022

Place: Mumbai

Registered Office:

**Express Zone, A-Wing, 10th Floor,
Western Express Highway, Goregaon (East),
Mumbai-400063**

Notes:

1. The Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) permitted the holding of the Annual General Meeting (AGM) through video conferencing (VC)/ other audio visual means (OAVM). Hence, the AGM of the Company is being held through VC/ OAVM. The deemed venue for AGM shall be the registered office of the Company, i.e. Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon (E), Mumbai – 400063.
2. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
3. Since this AGM is being held pursuant through VC/OAVM, physical attendance of members has been dispensed with, accordingly, the facility for appointment of proxies by the members will not be available for the AGM.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis.
5. An Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013 ('the Act'), relating to the business set out under Item Nos. 4, 5 and 6, of the accompanying Notice are annexed hereto. Further, additional information with respect to Item No. 4 also forms part of the explanatory statement as required under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations').
6. Members will be provided with a facility of electronic voting (e-voting) and for attending the AGM through VC/OAVM by the Link Intime India Private Limited (Link Intime) e-Voting system.
7. Members may please note that the AGM notice, annual reports as mentioned in the annual report are available on the Company's website at <https://anandrathiwealth.in> on websites of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
8. In compliance with the MCA Circulars, the notice of the AGM along with the Annual Report 2021-22 is being sent through electronic mode to those members whose email addresses are registered with the Company/Depositories and through courier for those Members whose e-mail addresses are not registered with the Company/ RTA. Members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the Share Transfer Agents of the Company and register their email-id. Members holding shares in dematerialised form are requested to contact their Depository Participant for updation of their email id.
9. Final Dividend of ₹ 6/- per equity share as recommended by the Board of Directors for the year ended March 31, 2022, if approved at the AGM, will be payable, to those Members of the Company who hold shares:
 - i) In dematerialised ('demat') mode, based on the beneficial ownership details to be received from National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') as at the close of business hours on Wednesday, August 3, 2022;
 - ii) In physical mode, if their names appear in the Company's Register of Members as on Wednesday, August 3, 2022.
10. Pursuant to the Income Tax Act, 1961 as amended, dividend income is taxable in the hands of the shareholders and the Company is required to deduct tax at source on dividend paid to the Members at the prescribed rates. The Members of the Company are requested to kindly go through the important communication of the Company with respect to deduction of tax at source on dividend.
11. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.
12. Members holding shares in dematerialised form may please note that, in accordance with the direction of the stock exchanges, bank details as furnished by the respective depositories will be used for the purpose of distribution of dividend. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses. To avoid delay in

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receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialised mode) and with the Company's Registrar and Transfer Agent ("RTA") (where shares are held in physical mode) to receive dividend directly into their bank account on the payout date. The Company or the Share Transfer Agent will not act on any direct request from such members for change/deletion in bank details.

13. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, August 4, 2022 to Friday, August 12, 2022, both days inclusive.
14. The requisite Statutory Registers such as Register of Directors and Key Managerial Personnel, the Register of contracts or arrangements in which the Directors are interested and relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturday and Sunday between 11.00 A.M. and 5.00 P.M. from the date hereof up to the date of the AGM.
15. Members may note that Notice of the AGM and the Annual Report for the Financial Year 2021-22 will also be available on the Company's website i.e. <https://anandrathiwealth.in/> and on BSE Limited and The National Stock Exchange of India Limited websites i.e. at www.bseindia.com and www.nseindia.com respectively.
16. Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, e-mail address etc. to the RTA at the following address:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083.

Telephone: +91 22 4918 6000

Email - rnt.helpdesk@linkintime.co.in

Website - www.linkintime.co.in

If the shares are held in electronic form, then change of address and change in the bank accounts etc. should be furnished to their respective Depository Participants.

17. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries at an

early date so as to enable the Management to keep the information ready at the Meeting.

18. Members are requested to send their queries, if any, at least 7 days in advance of the meeting so that the information can be made available at the meeting.

19. VOTING THROUGH ELECTRONIC MEANS:

- a) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations and the aforementioned Circulars, the Company is providing the facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by Link Intime.
- b) The Board of Directors of the Company has appointed Mr Himanshu S Kamdar, Practicing Company Secretary as the Scrutiniser to scrutinise the remote e-voting process and e-voting in a fair and transparent manner.
- c) The members, whose names appear in the Register of Members/ Beneficial Owners as on Wednesday, August 3, 2022, are entitled to vote on the resolutions set forth in this notice. A person who is not a member as on the cut-off date should treat this notice of AGM for information purpose only.
- d) The remote e-voting period begins on Tuesday, August 9, 2022 at 9.00 am and ends on Thursday, August 11, 2022 at 5.00 pm. The remote e-voting module shall be disabled by Link Intime for voting thereafter. Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Wednesday, August 3, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
- e) In addition, the facility for voting through electronic voting system will also be made available during the AGM. Members attending

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the AGM who have not cast their vote by remote e-voting will be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting will be eligible to attend the AGM, however, they will not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through Link Intime e-voting system.

20. Information and other instructions relating to remote e-voting are as under:

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

a) Login method for Individual shareholders holding securities in demat mode:

1. Individual Shareholders holding securities in demat mode with NSDL:
 1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsd.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
 2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com> Select «Register Online for IDeAS Portal" or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>

3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon «Login» which is available under «Shareholder/Member» section. A new screen will open. You will have to enter your User ID (i.e.your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e.LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH CDSL:

1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded

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in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants:

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

b) Login method for Individual shareholders holding securities in physical form is given below:

Individual Shareholders of the Company, holding shares in physical form as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -

A. User ID: Shareholders holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

**Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
 - Click "confirm" (Your password is now generated).
3. Click on 'Login' under '**SHARE HOLDER**' tab.
 4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43. |

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder's is having valid email address, Password will be sent to his / her registered e-mail address. Shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No +Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Process and manner for attending the Annual General Meeting through InstaMeet:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

▶ Select the "Company" and 'Event Date' and register with your following details: -

- A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

(DP)/

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant

Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

▶ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

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Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the Email id of the Company: csarwsl@rathi.com.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

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

ITEM NOS. 4-ORDINARY RESOLUTION

To re-appoint M/s kkc & associates llp as Statutory Auditors of the Company and to fix their remuneration.

M/s kkc & associates llp (formerly M/s Khimji Kunverji and Co. LLP), Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting ('AGM') held on 29th September 2017 for a period of 5 years, up to the conclusion of the ensuing AGM of 2022. M/s kkc & associates llp are eligible for re-appointment for a further period of 5 years. M/s kkc & associates llp have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder.

M/s kkc & associates llp have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiaries according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit.

Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to re-appoint M/s kkc & associates llp, Chartered Accountants, having registration no. 105146W/W100621, as the Statutory Auditors of the Company for the second and final term of five consecutive years, who shall hold office from the conclusion of this AGM till the conclusion of the AGM in the year 2027.

The Board of Directors has approved a remuneration of ₹ 50,00,000/- (Rupees Fifty Lakhs) for conducting the audit for the financial year 2022-23, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The remuneration proposed to be paid to the Statutory Auditors during their second and final term would be in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the said tenure.

The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The firm has more than 80 years of experience. It has offices located in Mumbai, Bengaluru and Ahmedabad. It caters full bouquet of assurance, advisory and consultancy services to its clients across all industries. The firm has rich experience to serve multi-national companies (MNCs), large corporates, small and medium enterprises (SMEs) and Owner Managed Businesses. The firm holds the 'Peer Review' certificate as issued by 'ICAI'.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the Members by way of an Ordinary Resolution. None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution

Item no. 5 : Ordinary Resolution

To grant authority to the Board for making donation to bona fide charitable and other fund:

In line with earlier practices, your Company wishes to donate part of its profits/surplus generated out of business for certain philanthropic activities.

Section 181 of Companies Act, 2013 allows making donation by the Companies subject to the condition that, prior permission of the shareholders shall be required, if the Company decides to donate to any bona fide charitable and other funds, any amount, the aggregate of which, in any financial year, exceed five per cent of its average net profits for the three immediately preceding financial years.

For the Financial Year 2022-23, it is proposed to contribute, donate, provide financial assistance not exceeding ₹ 5 Crores to such bona fide charitable, social, benevolent and other funds, body, university, institute, society, trust, etc. as may be decided by the Board or the Chairman or the Managing Director of the Company, from time to time.

Since the proposed amount exceeds the five percent threshold prescribed under the aforesaid provisions, the present resolution seeks approval of the shareholders of the Company by way of ordinary resolution for making aggregate donation up to ₹ 5 Crore (Limit) during the financial year 2022-23, including authority to the Board or the Chairman or the Executive Director of the Company, as the case may be, to identify bonafide charitable and other funds and decide the amount/donations to be contributed to each such bodies, within aforesaid Limit.

Notice (Contd.)

Except the officers mentioned above, none of the directors and key managerial personnel of the Company and/or their relatives are either concerned or interested, financially or otherwise, in the resolution.

Item no. 6 : Ordinary Resolution

To approve Material Related Party Transaction

Anand Rathi Global Finance Limited ("ARGFL") is the group Company of Anand Rathi Wealth Limited ("ARWL") and is also the part of the Promoter Group of ARWL.

ARGFL is a registered Non-Banking Finance Company – Non Deposit taking – Systematically Important (NBFC-ND-SI). Its main objects are to act as financial consultants, provide advice, services, consultancy in various fields, to carry on the business of financing, investing funds in various financial instruments, to provide all kinds of loans excluding banking business, subject to compliance with law in this regard.

The Company and ARGFL have entered into various Related Party Transactions ("RPTs") from time to time which are pre-approved by the Audit Committee as per Section 188 of the Act and Regulation 23 of the SEBI Listing Regulations.

One of the RPT's include purchase of market linked debentures by ARWL from ARGFL. For 2022-23, the Audit Committee at its meeting held on April 12, 2022, have approved the RPT transaction for purchase of market linked debentures by ARWL from ARGFL, subject to maximum being 4,000 Crore nos of Debentures during 2022-23.

Pursuant to the provisions of Regulation 23 of the SEBI Listing Regulations, Material Related Party Transaction ('Material RPT') is defined as a transaction entered/ to be entered into with a related party, individually or taken together with previous transactions, during a Financial Year, exceeding ₹ 1,000 Crore or 10% of the consolidated

turnover of ARWL, whichever is lower. The said Material RPT requires prior approval of shareholders of the Company.

Since the aggregate value of the RPT of ARWL with ARGFL for the said transaction of purchase of market linked debentures is expected to exceed the threshold of 10% of the consolidated turnover of ARWL, the Company is approaching the Members for approval of the said Material RPT transaction with ARGFL for 2022-23.

The Company will ensure that the value of the said RPT transaction of ARWL with ARGFL does not exceed the materiality threshold up to the date of this 27th AGM.

The said RPT transaction with ARGFL will be in the best interest of the shareholders and the same is also commercially beneficial to the Company. The Company has benefitted from such transactions with ARGFL in the past. The quantum of the benefits realised are subject to multiple variables and hence may vary based on time, market conditions and opportunities. Accordingly, the said Material RPT transaction is recommended for approval of the Members.

The RPT transaction carried out with ARGFL will be reported and reviewed on a quarterly basis by the Audit Committee.

As per Regulation 23 of the SEBI Listing Regulations, all Related Parties, irrespective of the fact that they are a party to the proposed Material RPT or not, shall not vote to approve the proposed resolution.

The relevant information pertaining to transaction with ARGFL as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below:

Notice (Contd.)

| Sr. No | Particulars | Information |
|--------|--|---|
| 1 | Type, material terms and particulars of the proposed transactions | As detailed above. The transaction is at arm's length. |
| 2 | Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise) | Anand Rathi Global Finance Limited, Group Company. The Company holds 7.97% in ARGFL |
| 3 | Tenure of the proposed transactions | During FY 2022-23 i.e. upto March 31, 2023 |
| 4 | Value of the proposed transactions | Upto 4,000 Crore nos of Debentures which estimates around ₹ 250 crore (approx) |
| 5 | The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transactions (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided) | 60% (approx) |
| 6 | If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary details of the source of funds in connection with the proposed transactions where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness - cost of funds – tenure applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPTs | Not Applicable |
| 7 | Justification as to why the RPTs are in the interest of the listed entity | Transaction is commercially beneficial to the Company. |
| 8 | A copy of the valuation or other external party report, if any such report has been relied upon | Not Applicable |
| 9 | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transactions will be made available through the registered e-mail address of the shareholders; | Not Applicable |

The proposed RPT to be entered with ARGFL is in the ordinary course of business and on arm's length basis.

The Directors, Key Managerial Personnel or their relatives holding shares of the Company may be deemed to be concerned or otherwise interested in the said Ordinary Resolution to the extent of their shareholding.

The Board recommends the Ordinary Resolution as set out for approval by the Members.

Item no. 7 and 8: Special Resolution

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees including employees of the Holding Company, Group Companies, Associate Companies and/or its Subsidiary Companies, if any, for their continuous hard work, dedication and support, which has led the Company and its Holding Company, Group Companies, Associate Companies and/or its Subsidiary Companies on the growth path.

Keeping in line with the above, '**ANAND RATHI** - Employees Stock Option Plan 2022' ('the Scheme') has been formulated by the Company and to be implemented by Compensation

Notice (Contd.)

/ Nomination & Remuneration Committee constituted under Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee and Sweat Equity Benefits) Regulations, 2021 (“SEBI SBEB and Sweat Equity Regulations”) issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on July 12, 2022, subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company’s Compensation Committee / Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Compensation Committee / Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- a. the quantum of options, shares or benefits as the case may be, per employee and in aggregate under a scheme;
- b. the kind of benefits to be granted under this scheme;
- c. the conditions under which options, shares or other benefits as the case may be, may vest in employees and may lapse in case of termination of employment for misconduct;
- d. the exercise period within which the employee can exercise the options and that options would lapse on failure to exercise the same within the exercise period;
- e. the specified time period within which the employee shall exercise the vested options or in the event of termination or resignation;
- f. the right of an employee to exercise all the options, as the case may be, vested in him at one time or at various points of time within the exercise period;
- g. the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the compensation committee:
 - (i) the number and price of options shall be adjusted in a manner such that total value to the

employee of the options remains the same after the corporate action;

- (ii) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options;
- h. the grant, vesting and exercise of shares, options or in case of employees who are on long leave;
- i. eligibility to avail benefits under this scheme in case of employees who are on long leave;
- j. the procedure for funding the exercise of options; and
- k. the procedure for buy-back of specified securities issued under these regulations, if to be undertaken at any time by the company, and the applicable terms and conditions, including:
 - (i) permissible sources of financing for buy-back;
 - (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and
 - (iii) limits upon quantum of specified securities that the company may buy-back in financial year.
- l. shall frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the trust, the company and its employees, as may be applicable
- m. Any other related or incidental matters.

In Compliance with the provisions of Rule 12(2) of Companies (Share Capital and Debenture) Rule 2014, the necessary disclosure of the Scheme are provided thereunder:

- a) **Brief Description of the Scheme is given as under:**
“ANAND RATHI - Employees Stock Option Plan 2022” (‘AR ESOP – 2022’) has been formulated by the Company and to be implemented by Compensation Committee / Nomination & Remuneration Committee constituted under Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in

Notice (Contd.)

accordance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB and Sweat Equity Regulations") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on July 12 2022, subject to the approval of the members.

b) The total number of options to be granted

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 90,000 (Ninety Thousand) equity shares of face value of Rs. 5/- each (or such other adjusted figure for any bonus, stock splits, buy-back, scheme of arrangement or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI SBEB and Sweat Equity Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, buy-back, scheme of arrangement merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued.

An employee may surrender his/her vested /unvested options at any time during / post his employment with the company. Any employee willing to surrender his/her options shall communicate the same to the Board or Committee in writing.

Vested options lapsed due to non-exercise, surrender and/or unvested options that gets cancelled due to resignation or any other separation conditions of Option grantees, surrendered or otherwise, would

be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled / surrendered options as per the provisions of the AR ESOP – 2022.

c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme.

All employees working in India or out of India and Directors (whether Managing/Whole time Director or not) of Company and its Holding Company, Group Companies, Associate Companies and/or its Subsidiary Companies, (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the Compensation Committee / Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Compensation Committee / Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

d) Requirements of vesting and period of vesting

Vesting of options may commence after a period of not less than one year from the date of individual grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the AR ESOP-2022.

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Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising*:

| Sr. No. | Separations | Vested Options | Unvested Options |
|---------|---|--|--|
| 1 | Resignation | All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company. | All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date. |
| 2 | Termination (With cause like fraud, misconduct etc.) | All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination. | All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date. |
| 3 | Termination (Without cause) | All Vested Options which were not allotted at the time of such termination may be exercised by the Option Grantee on or before his last working day with the Company. | All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date. |
| 4 | Retirement or early Retirement approved by Company | All vested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period. | All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period. |
| 5 | Death | All Vested options, granted under a scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be and such options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death. | All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of Death. |
| 6 | Permanent Disability | All Vested options, granted to him/her under a scheme as on the date of permanent incapacitation shall vest in him/her on that day and such options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability. | All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability. |
| 7 | Abandonment** | All the Vested Options shall stand cancelled. | All the Unvested Options shall stand cancelled. |
| 8 | Any other reason not specified above | The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final. | All Unvested Options on the date of separation shall stand cancelled with effect from that date. |

*In case of any regulatory changes warranting any change in vesting schedule/ conditions/exercise period in any of the above separation conditions, the provisions of such change shall apply.

**The Board/Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned. Provided that, in accordance with Applicable Law, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of the Scheme in any manner which may be detrimental to the interests of the Employees.

Notice (Contd.)

e) **Maximum period within which the options shall be vested**

The maximum vesting period may extend up to 5 (five) years from the date of grant of options, unless otherwise decided by the Compensation / Nomination and Remuneration Committee.

f) **Exercise price or pricing formula**

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be as may be decided by the Committee as is allowed under the SBEB and Sweat Regulations which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of employees for options granted on same / different dates. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the applicable laws.

No amount shall be payable by the option grantee at the time of grant.

Notwithstanding anything contained hereinabove, amount paid/payable, if any, by the employee at the time of the grant, vesting or exercise of the options will be forfeited if the employee does not exercise the same within the exercise period.

g) **Exercise period and process of exercise**

The Exercise period shall not be more than 5 (five) years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The Vested options shall be exercisable by the employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Compensation/Nomination and Remuneration Committee (the "Committee") from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.

h) **Appraisal Process for determining the eligibility of Employees to the Scheme.**

The appraisal process for determining the eligibility of the Employee will be specified by the Compensation / Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Compensation / Nomination and Remuneration Committee.

i) **Maximum number of options to be issued per Employee and in the aggregate**

The maximum number of options to be granted per employee per grant and in aggregate shall not exceed 90,000 (Ninety Thousand) i.e 0.22% of the issued Capital.

As the total number of Options to be granted under the Scheme is 90,000 (Ninety Thousand) i.e 0.22% of issued Capital therefore the maximum number of Options that shall be granted to any specific identified Employee(s) will not be equal to or exceeding 1% of the issued (excluding outstanding warrants and conversions) of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

j) **Maximum quantum of benefits to be provided per employee under a Scheme**

The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.

k) **Whether the AR ESOP – 2022 is to be implemented and administered directly by the Company or through a trust**

The Scheme will be implemented directly by the Company under the guidance of the Compensation / Nomination and Remuneration Committee of the Board.

Notice (Contd.)

l) Whether AR ESOP – 2022 involves new issue of shares by the Company or Secondary acquisition by the trust

The Scheme will involve only new issue of shares by the Company.

m) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.

Not Applicable

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s).

Not Applicable

o) Disclosure and accounting policies

The Company shall conform to the accounting policies specified in Regulation 15 of the SEBI (SBEB and Sweat Equity) Regulations.

Further the Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Laws as in force. Further the Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI (SBEB and Sweat Equity) Regulations, section 133 of the Companies Act, 2013 as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

p) Method of Valuation of options

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other requirements for accounting of the Stock options as are applicable to the Company for the same.

Since the company opts for expensing of share-based employee benefits using the fair value method, the following statement will not be applicable viz.

In case the company opts for expensing of share-based employee benefits using the intrinsic value

intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

q) Lock-in

The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise. However, the Board or the Committee as may be authorized by the Board, may, in some cases, provide for lock-in of shares issued upon the exercise of Options.

Provided that the transferability of the Shares shall be subject to the restriction for such period in terms of the Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading.

r) Terms & conditions for buyback, if any, of specified securities covered under the SEBI SBEB and Sweat Equity Regulations.

The Board of Directors / the Compensation Committee shall, subject to the applicable provisions of any of the SEBI Regulations and Companies Act, 2013 and other applicable provisions, have right to specify the procedure for buy-back of the Employee Stock Options issued under this Scheme, if to be undertaken at any time by the company, and the applicable terms and conditions, including:

- (i) permissible sources of financing for buy-back;
- (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and
- (iii) limits upon quantum of the Employee Stock Options that the company may buy-back in financial year.

s) Rights of the option holder

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

Notice (Contd.)

t) Consequence of failure to exercise option

All unexercised options shall lapse if not exercised on or before the exercised period ends.

No amount shall be payable by the option grantee at the time of grant and hence no amount is required to be forfeited even if an employee does not exercise the options within exercise period and accordingly no adjustment is required to be made for the same.

u) Other terms

The Board or Compensation / Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Compensation / Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the AR ESOP – 2022, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

v) Certificate from Secretarial Auditors

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the secretarial auditors of the company that the scheme(s) has been implemented in accordance with these regulations and in accordance with the resolution of the company in the general meeting.

w) Terms of the scheme:

(1) A company may by special resolution of its shareholders vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employees, if such variation is not prejudicial to the interests of the employees:

Notwithstanding the provisions of Regulation 7 sub-regulation (1) of SEBI SBEB & SE Regulations

and proviso to clause (1), a company shall be entitled to vary the terms of the schemes to meet any regulatory requirement without seeking shareholders' approval by special resolution.

(2) Subject to the proviso to clause (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.

(3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.

(4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market;

Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

x) Transferability of Employee Stock Options:

(1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.

(2) In the event of death of the employee while in employment, all the options or any other benefit granted under a scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be.

(3) In case the employee suffers a permanent incapacity while in employment, all the options or any other benefit granted to him/her under a scheme as on the date of permanent incapacitation, shall vest in him/her on that day.

Notice (Contd.)

- (4) In the event of resignation or termination of an employee, all the options or any other benefit which are granted and yet not vested as on that day, shall expire:

Provided that an employee shall, subject to the terms and conditions formulated by the Compensation committee under sub-regulation (3) of regulation 5 of SEBI (SBEB & SE) Regulations, be entitled to retain all the vested options or any other benefit covered by these regulations.

- (5) In the event that an employee, who has been granted benefits under a scheme, is transferred or deputed to an associate company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.
- (6) In the event that an employee who has been granted benefits under a scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the vesting or exercise, the treatment of options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the employee.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI SBEB and Sweat Equity Regulations as and when applicable to the Company.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 7 and 8, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolution set out in Item No. 7 and 8 of the Notice for adoption by the Shareholders as Special Resolution/s.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR ANAND RATHI WEALTH LIMITED**

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

**Date: July 12, 2022
Place: Mumbai
Registered Office:
Express Zone, A-Wing, 10th Floor,
Western Express Highway, Goregaon (East),
Mumbai-400063**



Notice (Contd.)

Details of Directors seeking appointment / re-appointment as required under Secretarial Standard – 2 issued by the Institute of Company Secretaries of India

| | |
|---|--|
| Name of Director | |
| DIN | 00112853 |
| Date of Birth | 25-06-1946 |
| Age | 76 Years |
| Qualifications | Chartered Accountant |
| Date of first appointment on the Board | March 18, 2005 |
| A Brief Resume of the Director & Nature of his Expertise in Specific Functional Areas | <p>Mr. Anand Rathi is the founder of Anand Rathi Group. An Esteemed Member of ICAI with Experience of 53 years across sectors.</p> <p>Mr. Anand Rathi has Also :</p> <ul style="list-style-type: none"> - aided in the rapid expansion of BOLT: the BSE Online Trading System - Established the Trade Guarantee Fund and played a vital role in setting up the Central Depository Services (CDS) |
| Relationship with other Directors and KMP | Mr. Anand Rathi is Father of Mr. Amit Rathi and Father in Law of Pradeep Kumar Gupta (Both Non-Executive Directors) |
| Directorships/Designated Partnerships held in other listed companies | None |
| Membership/Chairmanship of Committees of other listed Companies | None |
| Remuneration last drawn / sought to be paid (including sitting fees) | Nil |
| No. of Shares held in the Company as on March 31, 2022 | 49,71,390 Shares (11.95%) |
| No. of Board meetings attended during last Financial Year | 8 |



ANANDRATHI

Private Wealth. uncomplicated

Registered Office:

Express Zone, A Wing, 10th Floor, Western Express Highway,
Goregaon (E), Mumbai 400 063,
Maharashtra, India

Corporate Office:

Trade Link, 2nd and 3rd Floor, E Wing, B and C Block,
Kamla Mill Compound, Senapati Bapat Marg,
Lower Parel (W), Mumbai - 400013,
Maharashtra, India

<http://anandrathiwealth.in/>