Anand Rathi Wealth Services Limited

Annual Report 2018-19

INCOME	PBT	PAT	AuA	STRATEGISTS
₹281 Crore 2018-19	₹94 Crore 2018-19	₹65 Crore 2018-19	₹181 Billion 2018-19	237 Personnel 2018-19
₹219 Crore 2017-18	₹71 Crore 2017-18	₹50 Crore 2017-18	₹155 Billion 2017-18	199 Personnel 2017-18

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Journey so far

2002
Anand Rathi Financial Services started mutual fund distribution business.

2004
Wealth operations spread to the South – Bengaluru office opened.

2008
First overseas office in Dubai. Also expansion to Hyderabad and Delhi.

2010
Spread of operations in the West – first office in Pune opened

2015
Wealth AuA of ARFSL cross ₹50 billion, ARAL acquired part of businesses of ARFSL

MF distribution, portfolio manager & investment adviser business with ARAL

2016
ARWMPL, your subsidiary, acquired Freedom Wealth Solutions & Ffreedom Intermediary Infrastructure

Your company acquired MF distribution, portfolio manager & investment adviser business of ARAL

2017
Your company, acquired the wealth management business of Religare along with ARFSL and ARAL

New Gurgaon office opened to strengthen the North

2018
Expansion of Wealth Operations to East India by setting up an Office in Kolkata

AuA of your company crossed ₹155 billion.

2019
AuA of your company crossed ₹181 billion.

Chairman's massage

My dear Stakeholders,

It gives me immense pleasure to present before you the performance of your company for the year ending 31stMarch 2019. I am very excited to inform that your company has done exceptionally well during the year. On stand-alone basis, your company recorded an income of Rs. 281 crore and profit after tax of Rs. 65 crore during the year under review.

FY19 has been a great year for your company. This becomes clear from the fact that Asset under administration (AuA) of your company has jumped fromRs.15,489 crore to Rs.18,121 crore between end FY18 and FY19. The number of wealth strategists in our family has increased from 199 in the previous year to 234 at the end of last year.

Since start of our Group's journey 24 years back, your company has achieved many seemingly impossible feats and surmounted several extremely difficult challenges. The philosophy of your company is entirely client centric, with a clear focus on providing long term value addition to clients, while maintaining the highest standards of excellence, ethics and professionalism. During the journey of last two decades, we have together built a diversified non-banking financial company with footprints across India and beyond and presence in wide range of business activities spanning from commodity broking to investment banking and corporate finance to insurance broking. Due to hard work, dedication and intellectual leadership of all the stake holders, each of these businesses today are doing well. Private Wealth Management, however, remains the jewel in our Group's crown.

Over the years, private wealth management has received awards and recognitions from numerous prestigious agencies. For example, cfi.co Awards your company as 'Best Wealth Manager India 2019', Capital Finance International, London rates your company as the Best Private Bank in India (since 2015) and similar awards came from the Asia Money too. The latest poll by Great Place to Work identifies your company as the best place to work among the wealth management outfits in India and within top 50 of all mid-sized companies.

In India, wealth management often gets confused with selling of financial product to clients. With the client-centric philosophy, the approach of your company on wealth management is distinctly different. Your company offers the service of holistic wealth portfolio management to the client. Wealth strategists of your company thoroughly analyse each client's overall portfolio individually and in details keeping in view all the needs, circumstances and preferences of the clients and chalks out a strategic asset allocation plan. Each of these recommendations in the plan is backed by cutting-edge accredited in-house research and elaborate data analysis. A client's portfolio is constructed by using standardised algorithms in allocating assets and selecting securities which are aligned to each client's liquidity and risk profile. The portfolio is constantly monitored and if required, strategic calls are taken to ensure clients reach their goals. While clients retain the full discretion on their portfolio asset allocation, wealth strategists continue with fearless advisory about what your company perceives as the ideal allocation. Continuous training of the strategists and high levels of process and product standardisation ensures that advisory by individual strategists to each client remains uniform and of the same high quality. Your company also has dedicated internal teams that help clients with tax, succession and estate planning advisory.

Asset under management of your company jumped 17% between FY18 and FY19. This demonstrates that the differentiated approach of your company is finding tractions among the clients. Rapid rise in the number of strategists, low employee turnover and best rating among the wealth managers in the Great Place to Work Poll show that the approach is keeping team happy too.

While clients of your company are High-Net worth Individuals (HNIs), through a subsidiary, your company is reaching out to mass affluent clients by using a hybrid – mix of human and robo-advisory – model. Another subsidiary of your company has made strong inroads in collaborating with independent financial advisors to provide technology-led client advisory and servicing. Both these subsidiaries are making significant progresses.

With the strong standing of your company in the industry, sharp improvements in the share of financial instruments by the Indian households and supportive government policies, prospects of your company looks extremely positive. With this, there are initiatives to take your company public in the near future and you will be kept informed about the same.

At the end, I want to express my heart-felt gratitude for your valued guidance, unstinted support and constant cooperation.

Anand Rathi
Chairman &
Non-executive Director

Board of directors

Anand Rathi
Chairman &
Non-executive Director

Amit Rathi
Managing Director

Pradeep Gupta
Non-executive Director

Rakesh Rawal
Executive Director
& CEO

Mohan Tanksale
Independent Director

Ramesh Chandak
Independent Director

K.G. Somani
Independent Director

Sudha Navandar
Independent Director

Chief Financial Officer

Rajesh Bhutara

Company Secretary & Compliance Officer

Dilip Balakrishnan (till 30.11.2018)
Hardik D. Chauhan (w.e.f. 30.11.2018)

Statutory Auditor

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

Internal Auditor

M/s. Mahesh Chandra and Associates

Secretarial Auditor

M/s. Dharmesh Bohra & Associates

Bankers

- Bank of India • HDFC Bank • IDFC Bank

Corporate Identification Number

U67120MH1995PLC086696

Registered office

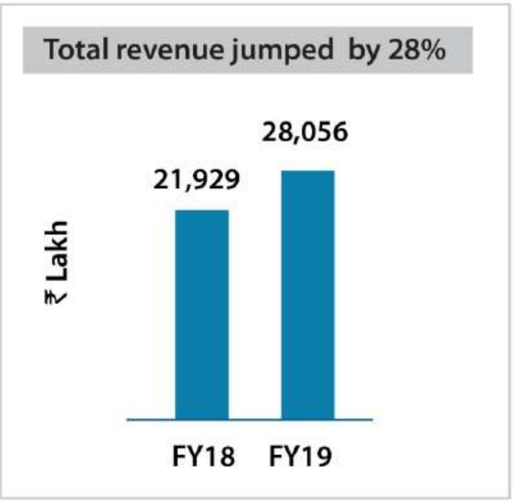
Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon (East), Mumbai – 400063, Maharashtra (India).

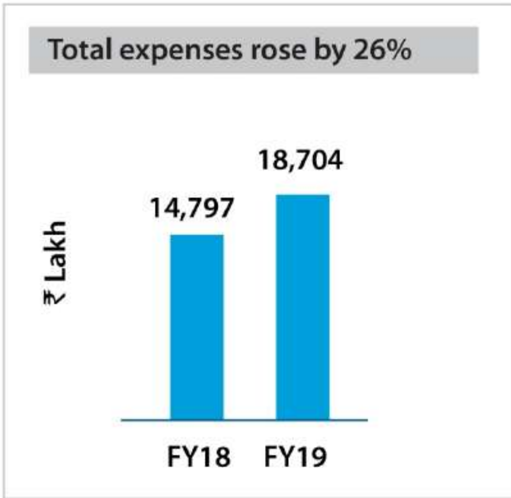
Corporate office

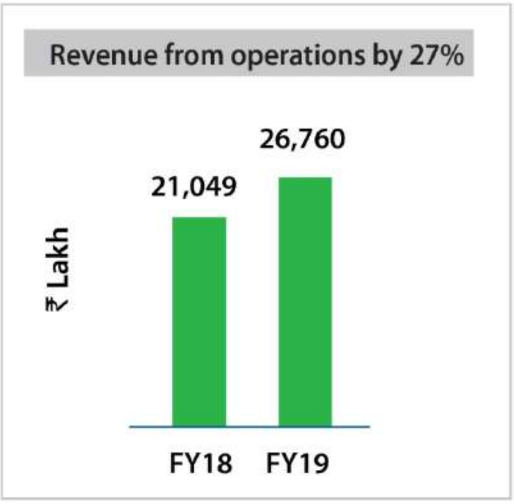
11th Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra (India).

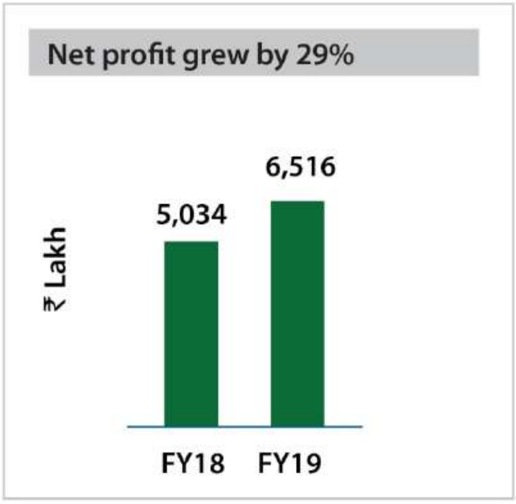
Performance at a glance

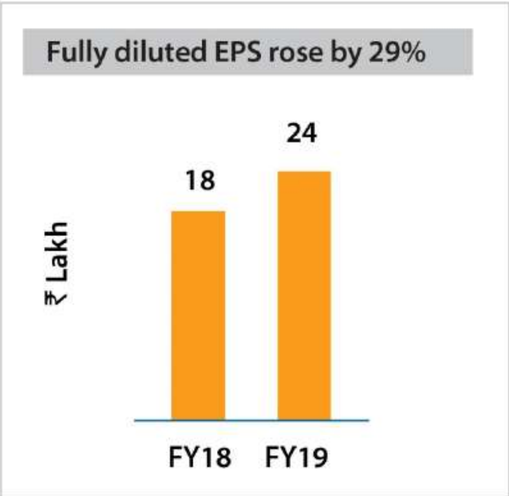
PERFORMANCE AT A GLANCE

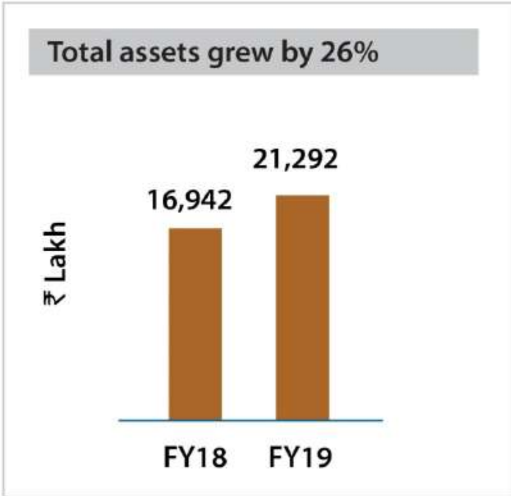












* Standalone

Business overview

- During the financial year 2018-19, total income of your company was at Rs. 280.6 crore as against Rs. 219.3 crore in the previous year recording a growth of 28%.
- In commensurate with increase in revenue and total expenditure also increased by 26% from Rs. 147.97 crore in FY18 to Rs. 187.04 crore in FY19.
- During the year under review, with much higher growth in revenue versus expenditure, profit of your company before tax increased nearly 31 % to Rs. 95.5 crore and profit after tax by 29.62% to Rs. 65.2crore.
- Total number of Financial Strategists have increased from 199 in March, 2018 to 237 in March, 2019.
- Total asset under administration (AuA) has increased from Rs. 15,489 crore to Rs. 18121 crore between end FY18 and FY19.
- During the year Three Off-site conducted (Including Two International Off-sites)
- No. Of relationships (active client families) has increased from 3235 as on 31 March 18 to 4208 as on 31 March 19.
- Trail income growth – 20% in FY 2018 - 2019
- Awarded as Best Wealth Manager India 2019 by cfi.co magazine.
- Increase in team size increased from 392 as on 31 March 2018 to 572 as on 31 March 2019.

Directors' Report

Dear Members,

The Board of Directors hereby submits the 24th Annual report of the business and operations of your Company along with the audited financial statements, for the year ended 31st March, 2019. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial performance during 2018-19

Over five-fold growth in stand-alone revenue

During the financial year 2018-19, total income of your Company was at Rs. 280.56 crore as against Rs. 219.3 crore in the previous year recording a growth of 28%. The Company's performance during the financial year ended 31st March, 2019 as compared to the previous accounting year is summarized below.

Standalone Financial Highlights

(Rs. Lacs)

Particulars	Current Year 31st March 2019	Previous Year 31st March 2018
Total Income	28,056.37	21,928.69
Less: Total Expenditure	18,703.97	14,796.65
Profit / (Loss) before Taxation	9,352.40	7,132.04
Less: Tax Expense		
Current Tax	3,435.95	1519.39
Deferred Tax	(599.89)	579.00
Short/(Excess) Provision for tax	-	-
MAT Credit Entitlement		
Net Profit /(Loss) after Tax	6,516.34	5,033.65

Consolidated Financial Highlights:-

(Rs. in Lacs)

Particulars	Current Year 31st March 2019	Previous Year 31st March 2018
Total Income	28,410.33	22,372.03
Less: Total Expenditure	19,985.18	15,641.77
Profit / (Loss) before Taxation	**8425.15**	6,730.26
Less: Tax Expense		
Current Tax	3438.89	1,541.38
Deferred Tax	(922.82)	580.65
Short/(Excess) Provision for tax	-	-
MAT Credit Entitlement		
Net Profit /(Loss) after Tax	**5909.09**	4,608.23
Share of non-controlling interest	0.28	(0.02)

Change in the nature of Business

No change in nature of business

The Company continues to provide Wealth Management services to High Net-worth Individuals and Ultra High Net-worth Individuals. It is one of the fastest growing non-bank Wealth Management firms in India. There was no change in the nature of the business of the Company.

DRHP / IPO

Filing of DRHP

During the year the Shareholders of the Company in their meeting held on March 03, 2018 had accorded their approval for Initial Public Offering of Equity Shares of the Company and filed Draft Red Herring Prospectus (DRHP) with SEBI on September 24, 2018. However considering the subdued capital market conditions, IPO Committee decided to defer its IPO and withdrew it for the time being.

Recommendation of Dividend

No dividend pay out

The Directors do not recommend any dividend for the year ended 31stMarch, 2019 [Dividend Distribution Policy detailed as **Annexure A**].

Review of Business

AuA rose from Rs.15,489 crore to Rs.18121 crore, PAT from Rs.50.33 crore to Rs. 65.16crore

Your Directors are glad to report that the Private Wealth Management business of the Company has reported another strong year of performance. There has been significant all round growth. Total number of Financial Strategists has increased from 199 in March, 2018 to 237in March, 2019. Total Asset under Administration (AuA) has increased from Rs. 15,489 crore to Rs. 18,121 crore on 31stMarch, 2019. Total revenue has increased from Rs. 219.29 crore to Rs. 280.56 crore, while profits after tax increased from Rs.50.34 crore to Rs. 65.16crore.

Uncomplicated, client-focused, standardised and strategic approach finding strong traction

Our expertise lies in providing uncomplicated and holistic solutions for our clients using highly standardised processes. This approach is finding significant traction with prospective clients. Our wealth management proposition itself is based on an objective-driven approach, and not a product-led approach. We help clients finalise their long-term wealth goals and once the goals are set, we provide strategic investment options by creating a customised financial strategy for the clients. A client's portfolio is constructed by using standardised algorithms in allocating assets and selecting securities which are aligned to each client's liquidity and risk profile. The portfolio is constantly monitored and if required, strategic calls are taken to ensure clients reach their goals. We also have dedicated internal teams that help clients with tax, succession and estate planning advisory.

Employee development and relationship building	As of 31st March, 2019 the Company's business grew substantially as stated above, with over 3,400 Client families which were serviced by a team of over 180 Relationship Managers. Your Company believes in consistent learning for its employees and competency development continues to be a key area of strategic focus for us.
Awards	• Best Wealth Manager India by Capital Finance International, London Ranked • 34 in India's Great mid-size Work Places 2017 by HT Media Limited • Deputy CEO, Mr. Feroze Azeez has been featured in the **Fortune India – Class of 2019 – 40 under 40** lists, for his unique contribution to the Industry.
Investment in standardisation, major team expansion	We have built and continue to invest in building standardised processes across the business, including in Relationship Manager (RM) hiring and training, client pitches and on-boarding and ongoing management. Encouraged by the growth during previous year, the company is planning to expand its number of Financial Strategists in the team by about 50% in the current year.
Gaining foothold in mass affluent segment through hybrid model	The subsidiaries of the companies are focused on building digital solutions in related verticals. Digital wealth management (DWM), a solution built for mass affluent customers, is now being marketed through partners and is finding gradual acceptance. We believe that a hybrid human assisted technology led approach is the key to creating a win-win business in the mass affluent segment. This lowers the marginal cost of customer servicing while keeping a human face accessible to the client.
Strong progress in providing digital platform to IFAs	Omni Financial Advisor (OFA) developed by another subsidiary has built a digital Platform-as-a-Service (PAAS) model for assisting independent financial advisors in their advisory business. The web and mobile platform currently allows for Independent Financial Advisors (IFAs) in execution, tracking and reporting of the investments made by their clients. In a short span of 18 months from launch, it has more than 4,000 IFA subscribers across the country with about Rs.45, 000 crore platform assets and IFA clients of 17.63lakhs and has become the leading tech platform for IFAs.
Exciting business outlook for your company	On the whole, we are pleased to report all-round growth. Given the strong strategic positioning as well as the macro backdrop including the increasing preference of investors towards financial assets, we believe that your company is well poised to take advantage of the unfolding exciting opportunity in the wealth management space in India.

Review of business of subsidiaries

AR Wealth Management Private Limited	During the year under review, the total income of the Company is Rs. 318.90 lakh as compared to Rs. 365.01 lakh in the last year. The Company witnessed Net Profit of Rs.(106.33) lakhs during the year under review as against Rs. 27.73 lakh in the previous year. This company caters to the mass-affluent segment in the area of Digital Wealth Management (DWM).
Freedom Wealth solution Private Limited	During the year, under review the Company reported revenue of Rs.264.45 lakh as compared to 435.44 lakh in preceding year 2017-2018. The Company gained Profit of Rs.5.82 lakh as compared to a Profit of Rs. 48.59 lakh in the preceding year 2017-2018. The company is one of leading service provider in the market in rendering the advisory and consultancy in the mutual fund distribution segment of capital market.
FFreedom Intermediary Infrastructure Private Limited	Our Step Down subsidiary FIINFRA Omni Financial Advisor (OFA) developed by another subsidiary has built a digital Platform-as-a-Service (PAAS) model for assisting independent financial advisors in their advisory business. During the year, under review the Company reported revenue of Rs. 361.54 lakh as compared to Rs. 443.82 lakh in preceding year 2017-2018. However due to increase in the expenditure, depreciation and amortization of expenses, finance costs, your Company suffered a loss of Rs. 209.67 lakh as compared to a loss of Rs. 91.81 lakh in the preceding year 2017-2018.

Change in Registered Office of the Company

Change in Registered Office	Your Company has changed its Registered Office from “4th Floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon East, Mumbai – 400063” to “Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon East, Mumbai - 4000063” w.e.f. 19 January 2019.

Consolidated Accounts

Financial statements attached	The Consolidated Financial Statement of your Company for the financial year 2018-2019 are prepared in compliance with Section 129(3) of the Companies Act, 2013 and Separate statement containing the salient feature of the financial statements of its subsidiaries in prescribed form No. AOC-1 [**Annexure B**].

Transfer to Reserves

No transfer to reserves	Yourcompany has not transferred any amount to the reserves during the financial year under review.

Deposits

No deposit taken	During the year under review, your company did not accept any deposits from the public. There are no deposits due and outstanding as on 31stMarch, 2019.

Material Changes and Commitment

No material change

No material changes and commitments which could affect your company's financial position has occurred between the end of the financial year of your company and date of this report.

Internal Financial Controls

No adverse observation

Your company has in pursuant to the provisions of Section 134(5) (f) of the Act, the Company has devised proper systems to ensure compliance with the provisions of all applicable laws. Each department of the organization ensured that it complied with the applicable laws. The Company has in place adequate internal financial controls with reference to financial statements.

The Internal Financial Control System was operating effectively and no adverse observations have been received from Auditors of Company.

Risk Management

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses and define a structured approach to manage uncertainty and to make use of these in their decision-making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

Vigil Mechanism/ Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of any nature whatsoever, or fear of any unfair treatment. A vigil mechanism provides a channel to employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or any Policy of the Company.

In its endeavour to provide its employees a secure and fearless working environment, the Company has established "Vigil Mechanism and Whistle Blower Policy".

The Vigil Mechanism and Whistle Blower Policy has been appropriately communicated within the Company brief outline of the policy is appended as **[Annexure C]** form part of this Report.

Disclosure of Orders passed by Regulators or Courts or Tribunal

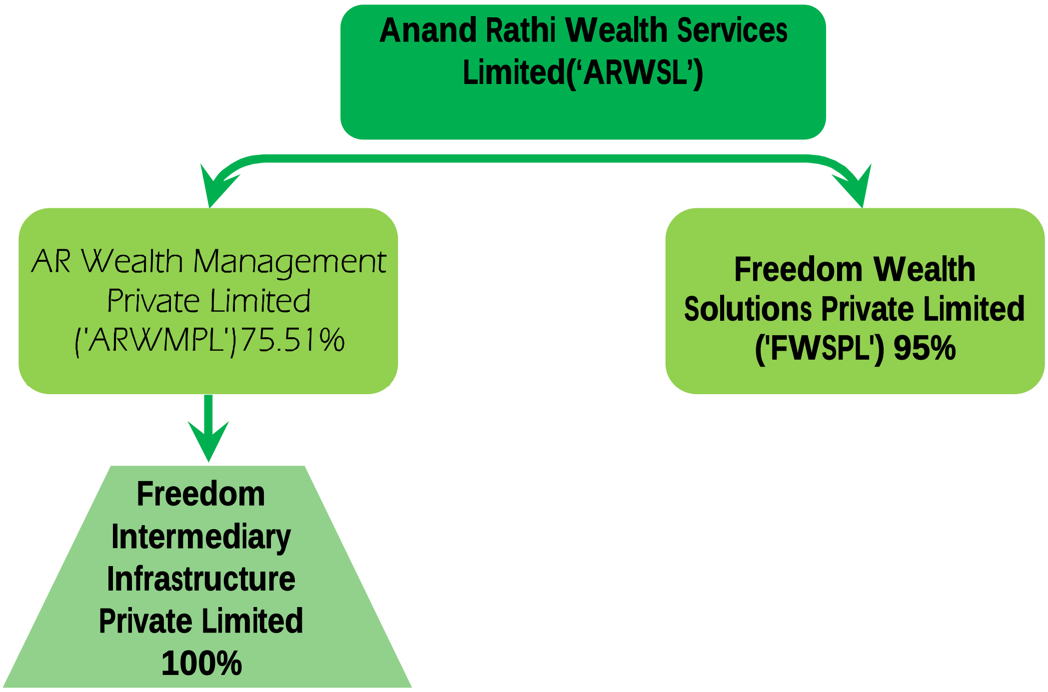
No significant and material order

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

Subsidiary, Joint Ventures or Associates

Two subsidiaries, one step-down subsidiary

The Company has two subsidiaries and one step-down subsidiary within the meaning of Section 2 (87) of the Companies Act, 2013. There is no associate companies within the meaning of section 2 (6) of the Companies Act, 2013.



Authorized Share Capital of Company

Authorised capital increased

During the period under review, the Equity Shares of the Company was sub-divided from face value of Rs.10 per share to Rs. 5 per share resulting into changed in the authorized share capital of the Company from 20,000,000 equity shares of Rs. 10 each to 40,000,000 equity shares of Rs. 5 each. at the Extra Ordinary General meeting of your Company held on 14th August,2018. Further, the following allotment of equity shares were made during the financial year:

Date of allotments	Number of shares allotted	Type of allotment
01September 2018	11,260	ESOP (ESOP 2017)

Board of Directors

Four Independent Directors appointed	During the year under review, the Board of Director in their meeting held on 15th March, 2018 has appointed Mr. Mohan Tanksale, Mr. Ramesh Chandak, Mr. K.G. Somani, Mrs. Sudha Navandar were appointed as an Independent Director for the period of 3 years with effective from 15th March, 2018 and consent of the shareholders were accorded in the 23rd Annual General Meeting held on 29 September 2018.
Retirement by rotation	During the year Mr. Pradeep was retired by rotation and being eligible for offered himself for re-appointment, and accordingly, re-appointed as Directors by the shareholders in the 23rd Annual General Meeting held on 29 September, 2018. In terms of the Section 152 (6) of the Companies Act, 2013 Mr. Anand Rathi, Director of the Company being longest in office will retire by rotation at the 24th Annual General Meeting and being eligible for re-appointment offer themselves for re-appointment.

Board Evaluation

Board Evaluation	The paid up share capital of the Company is as INR 13.45 Cr. Accordingly, the disclosure requirement as per Section 134 (3) (p) read with Rule 8 (4) of the Companies (Accounts) Rules, 2014 is not applicable to the Company. However, as a better Corporate Governance practice Company has adopted policy for evaluation of the performance of the Board of Directors on 15thMarch, 2018.

Appointment and Resignation of Key Managerial Personnel

Appointment/resignation of KMP	The Board of Directors in their meeting held on 6th July, 2019 has proposed reappointment of Mr. Amit Rathi as the Managing Director of the Company for further period of 3 years effective 01st April 2020 subject to further approval of the shareholders in ensuing 24th Annual General Meeting. Mr. Rakesh Rawal, Director of the Company was appointed as the Chief Executive Officer with effect from 01 April 2017 of the Company pursuant to Section 203 of the Companies Act, 2013. During the year Mr. Amol Bhabal resigned from the post of CFO w.e.f. 10thJuly, 2018 and Mr. Rajesh Bhutra, was appointed as the Chief Financial Officer w.e.f. 10thJuly, 2018 of the Company pursuant to section 203 of the Companies Act, 2013. During the year Mr. Dilip Balakrishnan, resigned from the post of Company Secretary & Compliance Officer of the Company w.e.f. 30thNovember, 2018, however Mr. Balakrishnan is continuing with the Company as Head-Estate planning.

During the year Mr. Hardik Chauhan, was appointed as Company Secretary & Compliance Officer of the Company w.e.f. 30th November, 2018.

Particulars of Contracts or Arrangement with Related Parties

Arms' length transactions

All the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Companies Act, 2013 entered by the Company during the year under review with related party (ies) are in the ordinary course of business and on arms' length basis. The details of the same are furnished in the form No. AOC-2 ***[Annexure-D].***

Maintenance of Cost Records

No Cost Record

The maintenance of cost records, for the services rendered by the Company, is not required pursuant to Section 148 (1) of the Companies Act, 2013 read with Rule 3 of the Companies(Cost Records and Audit) Rules, 2014.

Particulars of Loans, Guarantees & Investments under Section 186

Details of loans, guarantees and investments under the provisions of Sections 134(3)(g) and 186(4) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2019, has been disclosed in Financials Statements under appropriate headings.

Disclosure relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme

ESOPs

The first tranche of the Company's ESOP options were granted during the year, known as ESOP 2017. The disclosure relating to the Employee Stock Option Scheme under rule 12(9) of Companies (Share Capital and Debentures) rules, 2014 are disclosed in the notes to the financial statements. The details are as follows:

a) Option granted	3,20,000 (convertible into 6,40,000 shares of Face Value Rs.5)
b) Option vested	1,27,420 (convertible into 2,54,840 shares of Face Value Rs.5)
c) Option exercised	1,23,420 (convertible into 2,46,840 shares of Face Value Rs.5)
d) The total number of shares arising as a result of exercise of option	1,23,420 (convertible into 2,46,840 shares of Face Value Rs.5)
e) Option lapsed	4,580 (convertible into 9,160 shares of Face Value Rs.5)
f) The exercise price	Rs. 5
g) Variation of terms of options	Refer note below

h) Money realized by the exercise of options	Rs. 5,94,200
i) Total no of options in force	1,92,000 (convertible into 3,84,000 shares of Face Value Rs.5)
j) Employee wise details of options granted :-	
1) KMP	- Mr. Rajesh Bhutara
2) Any other employee who receive a grant of options in any year of option amounting to 5% or more of options granted during the year	- Mr. Feroze Azeez - Ms. Divya Srinivasan - Mr. Roop Bhootra - Mr. Vishal Laddha
3) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of company at the time of grant	N.A.
Note: The modifications do not specifically benefit any of the option holders but are being carried out to bring the Scheme in line with the applicable provisions/regulations/rules of SEBI and Companies Act, 2013. - The Equity Shares of the Company is sub-divided from face value of Rs.10 per share to Rs. 5 per share resulting into changes in the authorized share capital of the Company from 20,000,000 equity shares of Rs. 10 each to 40,000,000 equity shares of Rs. 5 each. Accordingly, 3,20,000 option under the ESOP-2017 policy are convertible into 6,40,000 shares of face value of Rs.5/-.	

Statement of Declaration of Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

Board Meetings

Meetings

The Board of Directors of the Company met 4 (Four) times during the previous financial year (**as Detailed in Annexure E**]. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Directors' Responsibility Statement

Confirms responsibility statement

In terms of Section 134(5) read with section 134(3) (c) of the Companies Act, 2013, with respect to Directors Responsibility Statement, the Board of Directors hereby confirms that:

a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company as at 31st March,2019 and of the profit and loss of your Company for the financial year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors have laid down internal financial controls to be followed by your company and that such internal financial controls are adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Social Responsibility

CSR Activities

As per the provisions of Section 135 of Companies Act, 2013, became applicable to Company at the end of the financial year under review. Accordingly, the Policy on the CSR has been adopted and the requisite Committee has been formed.

The CSR policy focus on :
- Rural Development
- Promotion of Education
- Ensuring Environmental sustainability
- Eradicating hunger, poverty and malnutrition,
- Promoting preventive health care and sanitation and making available safe drinking water
- Protection of national heritage

Brief outline of the CSR Policy is appended as **[Annexure F]** form part of this Report

The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed and forms an integral part of this report.

Company's Policy relating to Directors appointment, payment of remuneration and discharge of their duties

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee is applicable to the Company and hence the Company has devised a policy [Attached as **Annexure G**] relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

Committees of Board of Directors

Your Board has constituted the Committees as required under the provisions of Companies Act 2013 and rules made there under: [Details of Committee Meetings is Annexed as **Annexure H**]

A) Audit committee;
B) Nomination and Remuneration committee ;
C) CSR Committee ;
D) Stake holders relationship committee ;
E) IPO Committee;

Observations of Statutory Auditors on accounts for the Year ended 31st March, 2019

No qualification, adverse remark

The Auditor's Report does not contain any qualification, reservation or adverse remark or disclaimer.

Statutory Auditors Appointment

M/s Khimji Kunverji & Co. appointed as Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Khimji Kunverji & Co., Chartered Accountants, was appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held on 29th September, 2017. The Company has received a certificate from the said Auditors that they are eligible to hold office as Auditors of the Company and are not disqualified for being so appointed.

Further, the Members are requested to authorize the Board of Directors of the Company to fix the Statutory Auditors' remuneration for the remainder of their term, for which necessary proposal has been included in the Notice convening this 24th Annual General Meeting

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

No inflow or outflow of foreign exchange

In view of the nature of activities which are being carried on by the Company, Rule 8 (3) of the Companies (Accounts) Rules, 2014 concerning conservation of energy and technology absorption respectively are not applicable to the Company. There was no inflow or outflow of foreign exchange during the year under review.

Extract of Annual Return

MGT-9 Annexed

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return i.e. MGT- 9 for the financial year ended March 31, 2019 made under the provisions of Section 92(3) of the Act is attached as [**Annexure I]** which forms part of this Report.

Secretarial Audit

Secretarial Standards

Your Company has complied with all the secretarial standards as applicable.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules there under, M/s. Dharmesh Bohra & Associates, Practising Company Secretaries, as the Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company. The Report of the Secretarial Auditor for the year ended March 31, 2019 is attached to the Directors' Report as **[Annexure J]**.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Committee formed, no complaint

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 09 December 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and a Committee has been set up for implementation of said policy. No complaint relating to sexual harassment was reported during the financial year under review.

Acknowledgements and Appreciation

Thank all stakeholders

Your Directors wish to place on record their appreciation for the continuous support and cooperation received from all the stake-holders viz. suppliers, Clients, Employees, AMCs, RTAs, Banks, Business partners / associates, Financial Institutions and various Regulatory authorities for their consistent support/ encouragement to the Company. Your Directors would also like to thank the members for reposing their confidence and faith in the Company and its Management.

For and on behalf the Board of Directors

Anand Rathi
Chairman
DIN – 00112853

Place : Mumbai
Date: July 06, 2019

Annexure A: Dividend Distribution Policy

Your company has formulated and adopted the following Dividend Distribution Policy

1. Objective

The Dividend Distribution Policy of Anand Rathi Wealth Services Limited ("the Company") has been adopted by the Board of Directors of the Company pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to determine the parameters and factors which are to be considered for declaration of dividend. This Policy applies to both interim and final Dividend declared or recommended by the Board of Directors of the Company in compliance with Section 123 of the Companies Act 2013 read with the Rules framed there under (including any statutory modification(s) or re-enactment(s)thereof for the time being in force).

The Policy shall broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company\ for declaration of Dividend from time to time

2. Forms of Dividends

Final Dividend:

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of the Company.

Interim Dividend:

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, in line with this policy and subject to the provisions of the Companies Act, 2013, the Rules thereunder and any other applicable regulations or stipulations, as the case maybe.

3. Regulatory Framework

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

4. Policy

(i) Frequency of payment of dividend:

The Board of Directors under ordinary circumstances recommends dividend once in a year at the Board Meeting held for adoption of annual financial statements. The Board may also consider declaring interim dividend when there is significant exceptional/extra-ordinary income/event (i.e., Amalgamation, Sale of Brands, change in business model, etc.)

(ii) Circumstances under which shareholders may or may not expect dividend:

In the ordinary circumstances the Board of Directors may consider recommending dividend on an annual basis. The Board will take into account, the Company's profitability, cash needs for working capital and capital expenditure and other relevant factors like dividend pay-out ratio, etc. while recommending dividend for any financial year. However, in the event where the Company's profits are inadequate or the Company suffers losses, the Board may consider recommending a lower dividend than the normal rate of dividend or may not recommend dividend.

(iii) The financial parameters that shall be considered while declaring dividends:

a. Profits for the current year, future outlook for the Company
b. Working Capital needs and operating cash flow
c. Dividend pay-out ratio
d. Company's investment plans and related cash utilization, which has potential to create greater value for the shareholders
e. Any other relevant factors that the Board may deem fit to consider before declaring dividend

(iv) Internal and external factors that shall be considered for declaration of dividend:

Following are the Factors that would be considered before declaration or recommendation of Dividend:

a. The Internal Factors to be considered includes reserves & surplus and estimated profit for the following year, capital expenditure plans, working capital requirements, provision for unforeseen material events/contingencies and other business plans/projects
b. The External Factors to be considered includes, regulatory constraints impacting business, bank interest rate on surplus funds, dividend pay-out ratios of the peer companies, macro-economic factors and general business environment, etc.

(v) Utilization of retained earnings:

The Company may declare dividend out of the profits of the Company for the yearor out of the profits for any previous year or years or out of the free reservesavailable for distribution of Dividend, after having due regard to the parameterslaid down in this Policy.

5. Amendments/Review

The Board may, subject to the applicable laws amend any provision(s) or substitute any of theprovision(s) with the new provision(s) or replace the Policy entirely with a new Policy.However, no such amendment or modification shall be inconsistent with the applicableprovisions of any law for the time being in force.

6. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions ofsuch Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevailover this Policy and the part(s) so repugnant shall be deemed to severed from the Policy andthe rest of the Policy shall remain in force.

7. Disclosure

This Policy shall be hosted on the website of the Company www.rathi.com and address ofsuch web link thereto shall be provided in the Annual Report of the Company.

For and behalf of the Board of Directors

Anand Rathi
Chairman
DIN – 00112853

Place: Mumbai
Date: July 06, 2019

Annexure B: 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

1	Sl. No.	1.
2	Name of the subsidiary	AR WEALTH MANAGEMENTPRIVATE LIMITED
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2019
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
		Rs.
5	Share Capital	5,37,29,760
6	Reserves & Surplus	37,96,15,895
7	Total Assets	49,03,24,166
8	Total Liabilities	49,03,24,166
9	Investments	15,24,99,910
10	Turnover	3,18,89,951
11	Profit before taxation	-1,43,86,217
12	Provision for taxation	37,53,432
13	Profit after taxation	-1,06,32,785
14	Proposed Dividend	NA
15	% of shareholding	75.51%

(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

1	Sl. No.	2
2	Name of the subsidiary	FREEDOM WEALTH SOLUTIONS PRIVATE LIMITED
3	Reporting period for the subsidiary concerned, if different from the holdingcompany's reporting period	March 31, 2019
4	Reporting currency and Exchange rate as on the last date of the relevantFinancial year in the case of foreign subsidiaries	N.A.
		Rs.
5	Share Capital	249,63,810
6	Reserves & Surplus	2,13,44,468
7	Total Assets	4,78,11,536
8	Total Liabilities	4,78,11,536
9	Investments	-
10	Turnover	2,64,44,584
11	Profit before taxation	7,68,705
12	Provision for taxation	1,86,257
13	Profit after taxation	5,82,448
14	Proposed Dividend	NA
15	% of shareholding	95.00%

(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

1	Sl. No.	3
2	Name of the subsidiary	FFREEDOM INTERMEDIARY INFRASTRUCTURE PRIVATE LIMITED
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2019
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
		Rs.
5	Share Capital	59,88,370
6	Reserves & Surplus	6,87,11,506
7	Total Assets	14,99,31,105
8	Total Liabilities	14,99,31,105
9	Investments	-
10	Turnover	3,61,53,843
11	Profit before taxation	-4,94,00,469
12	Provision for taxation	2,84,33,464
13	Profit after taxation	-2,09,67,005
14	Proposed Dividend	NA
15	% of shareholding	-

For and behalf of the Board of Directors

Anand Rathi
Chairman
DIN – 00112853

Place: Mumbai
Date: July 06, 2019

Annexure C: Whistle Blower Policy

Your company has formulated and adopted the following Whistle Blower Policy

Preamble

As a conscious and vigilant organization, Anand Rathi Wealth Services Limited (ARWSL)believes in the conduct of the affairs of its constituents in a fair and transparent manner, byadopting the highest standards of professionalism, honesty, integrity and ethical behavior.

In its endeavor to provide its employee a secure and a fearless working environment, ARWSLhas established the "Whistle Blower Policy".

The purpose of the policy is to create a fearless environment for the employees to report anyinstance of unethical behavior, actual or suspected fraud or violation of ARWSL's code ofconduct or ethics policy to Mr. Hardik Chauhan, Company Secretary & the ComplianceOfficer.

The framework of the policy strives to foster responsible and secure whistle blowing. Thispolicy should be read in conjunction with applicable regulations & existing policies andprocedures of ARWSL. You can also contact the Secretarial & Legal Department if you haveany questions or need any clarifications.

1. Preface

1.1 The Company believes in the conduct of the affairs of its constituents in a fair andtransparent manner by adopting highest standards of professionalism, honesty, integrity and
ethical behavior.

1.2 The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

1.3 The Companies Act 2013, provides, a mandatory requirement, for all listed companies to establish a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

1.4 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.

1.5 The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

2. Policy

2.1 This Policy is for the Employees as defined hereinafter.

2.2 The Policy has been drawn up so that Employees can be confident about raising a concern. The areas of concern covered by this Policy are summarized in paragraph 5.

3. Definitions

3.1 “Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.

3.2 “Disciplinary Action” means any action that can be taken on the completion of /during the investigation proceedings including but not limiting to a warning, imposition offine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

3.3 “Employee” means every employee of the Company including the Directors in employment of the Company.

3.4 “Code” means the ARWSL Code of Conduct.

3.5 “Investigators” mean those persons authorized, appointed, consulted or approached by the Compliance Officer to act as such;

3.6 “Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

3.7 “Subject” means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

3.8 “Whistle Blower” is someone who makes a Protected Disclosure under this Policy.

3.9 “Whistle Officer” or “Committee” means an officer or Committee of persons who is nominated/appointed to conduct detailed investigation.

3.10 “Compliance Officer” will be a designated person for the purpose of receiving all complaints under this Policy and ensuring appropriate action. In the first instance, the Audit Committee shall appoint the designated person. The Chairman of the Audit Committee shall have the authority to change the designated person from time to time if need be.

4. The Guiding Principles

4.1 To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

4.1.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure are not victimized for doing so;

4.1.2 Treat victimization as a serious matter including initiating disciplinary action on such person/(s) who practices victimization;

4.1.3 Ensure complete confidentiality.

4.1.4 Not attempt to conceal evidence of the Protected Disclosure;

4.1.5 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;

4.1.6 Provide an opportunity of being heard to the persons involved especially to the Subject;

5. Coverage of Policy

5.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:
1. Abuse of authority
2. Breach of contract
3. Instance of 'mis-selling'
4. Negligence causing substantial and specific danger to public health and safety
5. Manipulation of company data/records
6. Financial irregularities, including fraud, or suspected fraud
7. Criminal offence
8. Pilferation of confidential/propriety information
9. Deliberate violation of law/regulation/non-compliance
10. Wastage/misappropriation of company funds/assets
11. Breach of employee Code of Conduct or Rules
12. Any other unethical, biased, favored, imprudent event

5.2 Policy should not be used in place of the Company grievance procedures or be a routefor raising malicious or unfounded allegations against colleagues.

6. Disqualifications

6.1 While it will be ensured that genuine Whistle Blowers are accorded completeprotection from any kind of unfair treatment as herein set out, any abuse of this protectionwill warrant disciplinary action.

6.2 Protection under this Policy would not mean protection from disciplinary actionarising out of false or bogus allegations made by a Whistle Blower knowing it to be false orbogus or with a mala fide intention.

6.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequentlyfound to be mala fide, frivolous or malicious shall be liable to be prosecuted under Company's
Code of Conduct.

7. Manner in which concern can be raised

7.1 Employees can make Protected Disclosure to the Compliance Officer, as soon aspossible but not later than 30 consecutive days after becoming aware of the same, bysending an e-mail to whistleblower@rathi.com or an email to Mr. Hardik Chauhan,Compliance Officer at hardikchauhan@rathi.com

7.2 Whistle Blower must put his/her name to allegations. Concerns expressedanonymously WILL NOT BE investigated.

7.3 If initial enquiries by the Compliance Officer indicate that the concern has no basis, orit is not a matter to be investigated under this Policy, it may be dismissed at this stage and thedecision is documented.

7.4 Where initial enquiries indicate that further investigation is necessary, this will becarried through either by the Compliance Officer alone, or by a Whistle Officer/Committeenominated by the Compliance Officer for this purpose. The investigation would be conductedin a fair manner, as a neutral fact-finding process and without presumption of guilt. A writtenreport of the findings would be made.

7.5 Name of the Whistle Blower shall not be disclosed to the Whistle Officer/Committee.

7.6 The Compliance Officer /Whistle Officer/Committee shall:
i) Make a detailed written record of the Protected Disclosure. The record willinclude:

a) Facts of the matter

b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;

c) Whether any Protected Disclosure was raised previously against the same Subject;

d) The financial/ otherwise loss which has been incurred / would have been incurred by the Company.

e) Findings of Compliance Officer /Whistle Officer/Committee;

f) The recommendations of the Ombudsperson/Whistle Officer/Committee on disciplinary/other action/(s).

ii) The Whistle Officer/Committee shall finalise and submit the report to the Compliance Officer within 15 days of being nominated/appointed.

7.7 On submission of report, the Whistle Officer /Committee shall discuss the matter with Compliance Officer who shall either:
i) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer/Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
ii) In case the Protected Disclosure is not proved, extinguish the matter; or
iii) Depending upon the seriousness of the matter, Compliance Officer may referthe matter to the Chairman of the Audit Committee with proposed disciplinaryaction/counter measures. The Chairman of the Audit Committee, if he thinks fit,may further refer the matter to the Audit Committee for necessary action with hisproposal. In case the Audit Committee thinks that the matter is too serious, it canfurther place the matter before the Board with its recommendations. The Boardmay decide the matter as it deems fit.

7.8 Investigations:
a. Investigators are required to conduct a process towards fact – finding andanalysis. Investigators shall derive their authority and access rights from theCompliance Officer when acting within the course and scope of theirinvestigation.

b. Technical and other resources may be drawn upon as necessary to augmentthe investigation. Investigators have a duty of fairness, objectivity, thoroughness,ethical behavior, and observance of Legal and professional standards.

c. Investigations will be launched only after a preliminary review by theCompliance Officer which establishes that:
i) The alleged act constitutes prima facie an improper or unethicalactivity or conduct, and
ii) The allegation is supported by information specific enough tobe investigated or in cases where the allegation is not supported byspecific information, it is felt that the concerned matter is worthy ofreview.
d. The investigators are required to report to the Compliance Office in a mannerso prescribed by him within the time frame specified by him.

7.9 In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he/she can make a direct appeal to the Chairman of the Audit Committee by sending a duly signed letter to the following address:
The Chairman, Audit Committee,
Address [●]

8. Protection

8.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

8.2 The identity of the Whistle Blower shall be kept confidential.

8.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

9. Secrecy/Confidentiality

The Whistle Blower, the Subject, the Whistle Officer and everyone involved in the process shall:

a. maintain complete confidentiality/ secrecy of the matter
b. not discuss the matter in any informal/social gatherings/meetings
c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
d. not keep the papers unattended anywhere at anytime
e. keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

10. Reporting

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

11. Amendment:
The Audit Committee of the Company shall recommend to the Board any amendments or modifications in this Policy in whole or in part, at any time without assigning any reason, whatsoever.

For and behalf of the Board of Directors

Anand Rathi
Chairman
DIN – 00112853

Place: Mumbai
Date: July 06, 2019

Annexure D: 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 theretoDetails of material contracts or arrangement or transactions at arm's length basis

Maximum Value of Contract / Transaction (per annum) w.e.f. 1st April 2017														
	Transaction defined u/s 188(1) of Companies Act, 2013													
	Availing Or rendering Of any services – Interest Paid	Availing Or rendering Of any services- Support Service Taken	Availing Or rendering Of any services – Interest Income	Availing Or renderin g Of any services- Support Service Given	Availing or renderin g of any services – Remuner ation paid to KMP	Availing Or renderin g Of any services – Share Based Payment s	Availing Or renderin g Of any services – Referral fees	Availing Or renderin g Of any services – Rent paid	Availing Or renderin g Of any services – Brand charges	Availing Or renderin g Of any services – Commiss ion received	Availing Or renderin g Of any services – Rent received	Availing Or renderin g Of any services – Brokerag e paid	Other nature Of transacti ons-
Anand Rathi Financial Services Ltd	4.59	598.8	-	-	-	-	-	14.4	35.59	-	-	-	-
Anand Rathi Global Finance Ltd	-	-	83.95	-	-	-	-	0.4	-	1,073.75	-	-	-
Freedom Wealth Solutions Pvt Ltd	-	-	-	202.77	-	-	-	-	-	-	-	-	-
Anand Rathi Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	0.6	-	-
Anand Rathi IT Private Ltd	-	317.63	-	-	-	-	-	-	-	-	-	-	-
Anand Rathi Shares & Stock Brokers Ltd	319.46	151.69	-	20.75	-	-	-	-	-	-	-	7.72	-
Anand Rathi Advisors Ltd	-	-	-	342.22	-	-	405.86	-	-	-	-	-	-
AR Wealth Management Private Ltd	-	25.32	295.43	-	-	-	-	-	-	-	-	-	-
Freedom Intermediary Infrastructure Pvt Ltd	-	-	63.48	-	-	-	-	-	-	-	-	-	-
Rakesh Rawal	-	-	-	-	-	-	-	-	-	-	-	-	-
Amit Rathi	-	-	-	-	102	-	-	-	-	-	-	-	-
AmolBhabhal	-	-	-	-	12.6	-	-	-	-	-	-	-	-
DilipBalakrishnan	-	-	-	-	50.76	-	-	-	-	-	-	-	-
Hardik Chauhan	-	-	-	-	5.33	-	-	-	-	-	-	-	-
Rajesh Bhutra	-	-	-	-	46.56	0.02	-	-	-	-	-	-	-
Anand Rathi Financial Services Ltd	4.59	598.8	-	-	-	-	-	14.4	35.59	-	-	-	-
Anand Rathi Global Finance Ltd	-	-	83.95	-	-	-	-	0.4	-	1,073.75	-	-	-
Freedom Wealth Solutions Pvt Ltd	-	-	-	202.77	-	-	-	-	-	-	-	-	-
Anand Rathi Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	0.6	-	-
Anand Rathi IT Private Ltd	-	317.63	-	-	-	-	-	-	-	-	-	-	-
Anand Rathi Shares & Stock Brokers Ltd	319.46	151.69	-	20.75	-	-	-	-	-	-	-	7.72	-
Anand Rathi Advisors Ltd	-	-	-	342.22	-	-	405.86	-	-	-	-	-	-
AR Wealth Management Private Ltd	-	25.32	295.43	-	-	-	-	-	-	-	-	-	-
Freedom Intermediary Infrastructure Pvt Ltd	-	-	63.48	-	-	-	-	-	-	-	-	-	-
Rakesh Rawal	-	-	-	-	-	-	-	-	-	-	-	-	-

For and behalf of the Board of Directors

Anand Rathi
Chairman
DIN – 00112853

Place: Mumbai
Date: July 06, 2019

Annexure E: Board Meeting Details

The Board of Directors of the Company met on 10th July, 2018, 1st September, 2018, 30th November 2018 and 11th March, 2019.

Attendance of Directors at the Board Meeting and the last Annual General Meeting

Sr. no.	Name of Director	No. of Board Meetings attended	Attendance at the AGM
1	Mr. Anand Rathi, Chairman	04 of 04	Present
2	Mr. Amit Rathi, Managing Director	04 of 04	Present
3	Mr. Pradeep Gupta	04 of 04	Present
4	Mr. Rakesh Rawal	01 of 04	Leave Sought
5	Mr. Mohan Vasant Tanksale	03 of 04	Leave Sought
6	Mr. Ramesh Chandak	04 of 04	Leave Sought
7	Mr. K. G. Somani	01 of 04	Leave Sought
8	Mrs. Sudha Navandar	04 of 04	Leave Sought

For and behalf of the Board of Directors

Anand Rathi
Chairman
DIN – 00112853

Place: Mumbai
Date: July 06, 2019

Annexure F: CSR Report

Annual Report On CSR Activities

As required under Section 135(4) of the Companies Act, 2013 and Rule 9 of Companies (Accounts) Rules, 2014, the details with respect to CSR are as follows:

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   The Company recognizes the responsibilities towards society and strongly intends to contribute towards development of knowledge based economy.

2. **Composition of CSR Committee:**

   The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013.

   The members of the CSR Committee as on March 31, 2019 as under:

S. No.	Name	Category	Designation
1.	Anand Rathi	Non-Executive Director	Chairman
2.	Pradeep Gupta	Non-Executive Director	Member
3.	Sudha Navandar	Independent Director	Member

3. **Average Net Profit of the Company for the last three financial years:** Rs. 5508.36 Lakh

4. **Prescribed CSR expenditure (two percent. of the amount as in item 3 above):**

Particulars	Amount in Lakhs
Two percent of the amount as in item 3 above	Rs. 110.17
Amount unspent last year	Nil
Total CSR Expenditure required	Rs. 110.17

5. **Details of CSR spent during the financial year:**
   a) **Total amount spent during the financial year** : 30 Lakhs

   b) **Amount unspent, if any;** : Nil

   c) **Manner in which the amount spent during the financial year is detailed below** :*Details as stated below**

***Manner in which the amount spent during the financial year is detailed below:**

The Company has made Corpus contribution of Rs. 30 Lakhs to M/s. Acil-Navsarjan Rural Development Foundation, Mumbai towards Corporate Social Responsibility (ÇSR') activities as covered under the Schedule VII of the Companies Act, 2013.

Brief Profile

M/s. Acil-Navsarjan Rural Development Foundation is a non-governmental and non-profit making organization involved and carried out activities related to Education, Employment, Environment, Health, Micro-enterprises, Poverty, Rural Development, Sanitation, Training, Urban Development, Water, Women's issues with the objects to integrated development. The aim of the organization is to spread out in all the states in India and to reach out to the poor families, substantially increase their income and upgrade their quality of life. This can be achieved by empowerment of women, upgrading the skills of the youth through training. Watershed development healthcare and other activities which would benefit the community at large.

Responsibility Statement:

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Anand Rathi
Chairman
DIN: 00112853

Sudha Navandar
Chairman – CSR Committee
DIN:2804964

Date: 06th July, 2019
Place: Mumbai

Annexure G: Nomination and Remuneration Policy

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

1. Preamble

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

2. Objective

The Nomination and Remuneration Committee and this Policy is in compliance with Section178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49under the Listing Agreement.

The Key Objectives of the Committee are:

a. To guide the Board in relation to the appointment and removal of Directors,Key Managerial Personnel and Senior Management.

b. To evaluate the performance of the members of the Board and providenecessary report to the Board for further evaluation of the Board.

c. To recommend to the Board on Remuneration payable to the Directors, KeyManagerial Personnel and Senior Management.

3. Definition

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

f. Senior Management: Senior Management means personnel of the companywho are members of its core management team excluding the Board of Directorsincluding Functional Heads.
g. Nomination & Remuneration Committee: Committee of the Board, constituted,in accordance with provisions of Section 178 of the Act and Listing Agreementwith stock exchanges
h. Employees Stock Option: The option given to the Directors, officers oremployees of a company or of its holding company or subsidiary company orcompanies, if any, which gives

such Directors, officers or employees, the benefit orright to purchase, or to subscribe for, the shares of the company at a future dateat a pre-determined price
i. Rules: Rules framed under the Act
j. Remuneration: Any money or its equivalent given or passed on to any personfor services rendered which included perquisites and other benefits.

4. Role of Committee

The role of the Committee are following:
a. To formulate a criteria for determining qualifications, positive attributes andindependence of a Director.
b. To recommend to the Board, the appointment and removal of SeniorManagement.
c. To carry out evaluation of Director's performance and recommend to theBoard appointment/ removal based on his/ her performance.
d. To recommend to the Board on (i) policy relating to remuneration forDirectors, Key Managerial Personnel and Senior Management and (ii) ExecutiveDirectors' remuneration and incentive.
e. To make recommendations to the Board concerning any matters relating tothe continuation in office of any Director at any time including the suspension ortermination of service of an Executive Director as an employee of the Companysubject 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 appropriateperformance benchmarks,
g. To devise a policy on Board diversity;
h. To consider and approve the ESOP policies and address issues relating to thesame including for ESOP 2017 and ESOP 2018;
i. To develop a succession plan for the Board with segregated successionreadiness of the management council and executive directors into 3 types - 1-3years; 3-5 years; and, over 5 years and review it at least twice a year;

5. Membership

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

6. Terms/ Tenure

a. Managing Director/Whole-time Director:The Company appoints or re-appoint any person as its ExecutiveChairman, Managing Director or Executive Director for a term notexceeding five years at a time. No re-appointment is made earlier thanone year before the expiry of term.
b. Independent Director:An Independent Director holds the office for a term up to fiveconsecutive years on the Board of the Company and is eligible for reappointmenton passing of a special resolution by the Company anddisclosure of such appointment in the Board's report.No Independent Director holds office for more than two consecutiveterms, but such Independent Director is eligible for appointment afterexpiry of three years of ceasing to become an Independent Director.Provided that an Independent Director is not, during the said periodof three years, appointed in or associated with the Company in anyother capacity, either directly or indirectly. However, if a person whohas already served as an Independent Director for 5 years or more inthe Company as on October 1, 2014 or such other date as may bedetermined by the Committee as per regulatory requirement; he/ sheis eligible for appointment for one more term of 5 years only.At the time of appointment of Independent Director it is ensured thatnumber of Boards on which such Independent Director serves isrestricted to seven listed companies as an Independent Director andthree listed companies as an Independent Director in case suchperson is serving as a Whole-time Director of a listed company or suchother number as may be prescribed under the Act.

7. Chairperson

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

8. Frequency of meeting

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

9. Committee member Interest

a. A member of the Committee is not entitled to be present when his or her ownremuneration is discussed at a meeting or when his or her performance is beingevaluated.
b. The Committee may invite such executives, as it considers appropriate, to bepresent 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 ofmembers present and voting and any such decision shall for all purposes be deemed adecision of the Committee. In the case of equality of votes, the Chairman of the meeting has acasting vote.

12. Nomination duties

The duties of the Committee in relation to nomination matters include:
a. Ensuring that there is an appropriate induction & training program in place fornew Directors and members of Senior Management and reviewing itseffectiveness;
b. Ensuring that on appointment to the Board, Independent Directors receive aformal letter of appointment in accordance with the Guidelines provided underthe Companies Act, 2013;
c. Identifying and recommending Directors who are to be put forward forretirement by rotation.
d. Determining the appropriate size, diversity and composition of the Board;
e. Setting a formal and transparent procedure for selecting new Directors forappointment to the Board;
f. Evaluating the performance of the Board members and Senior Management inthe context of theCompany's performance from business and complianceperspective through independent party. Making recommendations to the Boardconcerning any matters relating to the continuation in office of any Director atany time including the suspension or termination of service of an ExecutiveDirector as an employee of the Company subject to the provision of the law andtheir service contract.
g. Delegating any of its powers to one or more of its members or the Secretary ofthe Committee;
h. Recommend any necessary changes to the Board.
i. Considering any other matters as may be requested by the Board;

13. Remuneration structure and components

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

Non- executive Directors
Non-executive Directors are paid sitting fees for the meetings of the Board andCommittees thereof, subject to adequacy of profits and with approval ofshareholders , 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 balancedremuneration 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 seniormanagement.

15. Minutes of the Committee meetings

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

For and behalf of the Board of Directors

Anand Rathi
Chairman
DIN – 00112853

Place: Mumbai
Date: July 06, 2019

Annexure H: Committees on Board

Composition of the Committees

Audit Committee

The Composition, quorum, powers, role and scope are in accordance with section 177 of the Companies Act, 2013. All members of the Audit Committee are financially literate and bring in expertise in the field of finance, taxation etc.

Composition of Audit Committee :

Sr. No.	Name of the Director	Nature of Directorship	Position in the Committee
1.	Mr. Mohan Tanksale	Independent Director	Chairman
2.	Ms. Sudha Navandar	Independent Director	Member
3.	Mr. Amit Rathi	Managing Director	Member

Meeting and Attendance

The Audit Committee met 4 (Four) times during the previous financial year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The Committee met on 10th July, 2018, 1st September, 2018, 30th November 2018 and 11th March, 2019. The table below provides the attendance of the Audit Committee:

Sr. no.	Name of Director	Position	Category	No. of Meetings attended
1	Mr. Mohan Vasant Tanksale	Chairman	Independent Director	3 of 4
2	Mrs. Sudha Navandar	Member	Independent Director	4 of 4
3	Mr. Amit Rathi, Managing Director	Member	Managing Director	4 of 4

Nomination and Remuneration Committee

The composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178 (1) of the Companies Act, 2013.

Composition of Nomination and Remuneration Committee:

Sr. No.	Name of the Director	Nature of Directorship	Position in the Committee
1.	Mr. Kishan Gopal Somani	Independent Director	Chairman
2.	Mr. Ramesh Chandak	Independent Director	Member
3.	Mr. Anand Rathi	Chairman and Non-Executive Director	Member

Meeting and Attendance

The Nomination and Remuneration Committee met 3 (Three) times during the previous financial year on 10th July, 2018, 30th November 2018 and 11th March, 2019. The table below provides the attendance of the Nomination and Remuneration Committee:

Sr. no.	Name of Director	Position	Category	No. of Meetings attended
1	Mr. K. G. Somani	Chairman	Independent Director	1 of 3
2	Mr. Ramesh Chandak	Member	Independent Director	3 of 3
3	Mr. Anand Rathi	Member	Managing Director	3 of 3

Stakeholder Relationship Committee

The Company under consideration of proposal of IPO and in compliance with the SEBI Listing Regulations, have constituted Stake Holders Relationship Committee.

Composition of Stakeholder Relationship Committee:

Sr. No.	Name of the member	Nature of Directorship	Position in the Committee
1.	Mr. Ramesh Chandak	Independent Director	Chairman
2.	Mr. Pradeep Gupta	Non-Executive Director	Member
3.	Mr. Amit Rathi	Managing Director	Member

No meeting of the Committee was held during the year

Corporate Social Responsibility Committee

The composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013.

Composition of Corporate Social Responsibility Committee:

Sr. No.	Name of the member	Designation	Position in the Committee
1.	Mr. Anand Rathi	Chairman and Non-Executive Director	Chairman
2.	Mr.Pradeep Gupta	Non-Executive Director	Member
3.	Ms. Sudha Navandar	Independent Director	Member

IPO Committee

Composition of Corporate IPO Committee:

Sr. No.	Name of the member	Designation	Position in the Committee
1.	Mr. Anand Rathi	Chairman and Non-Executive Director	Chairman
2.	Mr. Pradeep Gupta	Non-Executive Director	Member
3.	Mr. Amit Rathi	Managing Director	Member
4.	Ms. Sudha Navandar	Independent Director	Member

For and behalf of the Board of Directors

Anand Rathi
Chairman
DIN – 00112853

Place: Mumbai
Date: July 06, 2019

Annexure I : Form MGT- 9

Extract of the Annual Return

as on financial year ended on 31.03.2019 [Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U67120MH1995PLC086696
ii)	Registration Date	22ndMarch, 1995
iii)	Name of the Company	Anand Rathi Wealth Services Limited
iv)	Category/Sub-Category of the Company	Public Company limited by shares
v)	Address of the Registered office and contact details	Express Zone, A wing, 10th Floor, Western Express Highway, Goregaon (East), Mumbai - 400063. Phone - 022 6281 7002, Fax - 022 40013770
vi)	Whether listed company (Yes/No)	No
vii)	Name, Address and Contact details of Registrarand Transfer Agent, if any	Link Intime India Pvt Ltd C 101, 247 Park, LBS Road, Vikhroli West, Mumbai, Maharashtra 400083 022-249186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products/services	NIC Code of theProduct /service	% to total turnoverof the company
1	Services auxiliary to financial services other thanto insurance and pensions	649	98.31%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of shares held	Applicable section
1	AR Wealth Management Private Limited	U65923MH1996PTC097270	Subsidiary	75.51%	2(87)
2	Freedom Wealth Solutions Private Limited	U74990MH2009PTC190352	Subsidiary	95.00%	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PRECENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year as on April1, 2018				No. of Shares held at the end of the year as on March 31,2019				% Change during theyear	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) **Indian**										
a) Individual/HUF	28,89,385	-	28,89,385	21.49	51,68,768	-	51,68,768	19.21	2279383	78.89
b) Central Govt	-	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	60,54,587		60,54,587	45.04	1,20,54,082		1,20,54,082	44.80	5999495	99.09
e) Bank/FI	-	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	**89,43,972**	**-**	**89,43,972**	**66.53**	**1,72,22,850**	**-**	**1,72,22,850**	**64.01**	**8278878**	**92.56**
(2) **Foreign**										
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**89,43,972**	**-**	**89,43,972**	**66.53**	**1,72,22,850**	**-**	**1,72,22,850**	**64.01**	**8278878**	**92.56**
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at thebeginning of the year as on April 1, 2018			Shareholding at the end of the year as on March 31, 2019			% change in shareholding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Anand Rathi Financial Services Ltd.	60,54,587	45.04	Nil	1,20,54,082	44.80	-	-0.24
2	Anand Rathi	21,34,131	15.88	Nil	36,58,260	13.60	-	-2.29
3	Pradeep Kumar Gupta	7,55,254	5.62	Nil	15,10,508	5.61	-	0.00
	Total	**89,43,972**	**66.53**	**Nil**	**1,72,22,850**	**64.01**	**-**	**-2.53**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year as on April 1, 2018		Increase/ Decrease in shareholding during the year			Cumulative Shareholding during	
		No. of Shares	% of total shares of the company	Date	Increase/Decrease in Shareholding	Reason	No. of Shares	% of total shares of the company
1	Anand Rathi Financial Services Limited.							
	At the beginning of the year	6054587	45.04				60,54,587	45.04
		-3,125	-0.02	04-04-2018	Decrease	Transfer	6,051,462	45.02
		-6,875	-0.05	04-04-2018	Decrease	Transfer	6,044,587	44.97
		-6,300	-0.05	12-06-2018	Decrease	Transfer	6,038,287	44.92
		1	-0.00	14-06-2018	Increase	Transfer	6,038,288	44.92
		1	-0.00	10-07-2018	Increase	Transfer	6,038,289	44.92
		-2,500	-0.02	11-07-2018	Decrease	Transfer	6,035,789	44.90
		1	-0.00	13-07-2018	Increase	Transfer	6,035,790	44.90
		1	-0.00	16-07-2018	Increase	Transfer	6,035,791	44.90
		-1,250	-0.01	27-07-2018	Decrease	Transfer	6,034,541	44.89
		6,034,541	-	31-08-2018	Increase	Sub-division	12,069,082	44.85
		-15,000	-0.05	28-03-2019	Decrease	Transfer	12,054,082	44.80

	At the End of the year						12,054,082	44.80
2	Anand Rathi							
	At the beginning of the year	21,34,131	15.88				2134131	15.88
		-300000	-2.23	25-06-2018	Decrease	Transfer	1834131	13.65
		-1,250	-0.01	25-06-2018	Decrease	Transfer	1832881	13.64
		-1,250	-0.01	25-06-2018	Decrease	Transfer	1831631	13.63
		-1,250	-0.01	25-06-2018	Decrease	Transfer	1830381	13.62
		-1	-0.00	10-07-2018	Decrease	Transfer	1830380	13.62
		-1,250	-0.01	12-07-2018	Decrease	Transfer	1829130	13.61
		1,829,130	-	31-08-2018	Increase	Sub-Division	3658260	13.59
	At the End of the year						3658260	13.59
3	Pradeep Kumar Gupta							
	At the beginning of the year Date wise Increase/Decrease in Promoters Shareholding during the year	7,55,254	5.62	-	-	-	-	-
		7,55,254		31-08-2018	Increase	Sub-division	1510508	5.62
						-	-	
	At the End of the year					-	1510508	5.62

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year as on April 1, 2018		Increase/ Decrease in shareholding during the year			Cumulative Shareholding during	
		No. of Shares	% of total shares of the company	Date	Increase/Decrease in Shareholding	Reason	No. of Shares	% of total shares of the company
1	Priti Pradeep Gupta	5,00,000	3.72	31-08-2018	500000	Increase / Sub-division	10,00,000	3.72
2	Supriya Rathi	4,90,001	3.65	16-07-2018	1	Decrease/ Transfer	4,90,000	3.65

				31-08-2018	4,90,000	Increase/Sub -division	9,80,000	3.65
3	P.K. Gupta & Sons	2,50,000	1.86	31-08-2018	2,50,000	Increase/Sub -division	5,00,000	1.86
4	N.M.Gupta& Sons	2,40,000	1.78	31-08-2018	2,40,000	Increase/Sub -division	4,80,000	1.78
5	FerozeAzeez	1,86,000	1.38	12-04-2018	26,000	Increase/ES OP	2,12,000	1.58
				31-08-2018	2,12,000	Increase / Sub-division	4,24,000	1.58
6	M/s Jaipur Securities Private Limited	2,10,000	1.56	31-08-2018	2,10,000	Sub-division	4,20,000	1.56
7	Anand Rathi Capital Advisors Private Limited	95,850	0.71	04-04-2018	1250	Decrease/ Transfer	94600	0.70
				04-04-2018	3125	Decrease/ Transfer	91475	0.68
				02-05-2018	91475	Decrease /Transfer	-	0
8	JugalMantri	65000	0.48	31-08-2018	65,000	Increase / Sub-division	1,30,000	0.48
9	Echjay Industries Private Limited	50000	0.37	31-08-2018	50,000	Increase / Sub-division	1,00,000	0.37
10	Munix (India) Private Limited	42000	0.31	31-08-2018	42,000	Increase / Sub-division	84,000	0.31

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year as on April 1, 2018		Increase/ Decrease in shareholding during the year			Cumulative Shareholding during	
		No. of Shares	% of total shares of the company	Date	Increase/Decrease in Shareholding	Reason	No. of Shares	% of total shares of the company
1	Anand Rathi	2134131	15.88	-		-	21,34,131	15.88
				25-06-2018	300000	Decrease /Transfer	1834131	13.65
				25-06-2018	1250	Decrease /Transfer	1832881	13.64
				25-06-2018	1250	Decrease /Transfer	1831631	13.63
				25-06-2018	1250	Decrease /Transfer	1830381	13.62
				10-07-2018	1	Decrease /Transfer	1830380	13.62

				12-07-2018	1250	Decrease /Transfer	1829130	13.61
				31-08-2018	1829130	Increase / Sub-Division	3658260	13.59
2	Pradeep Kumar Gupta	7,55,254	5.62	31-08-2018	1510508	Increase/ Sub-division	1510508	5.62
3	Amit Rathi	3,00,001	2.23	14-06-2018	1	Decrease /Transfer	3,00,000	2.23
				31-08-2018	300000	Increase/ Sub-division	6,00,000	2.23
				04-09-2018	600000	Increase / Transfer	12,00,000	4.46
4	RakeshRawal*	5,70,700	4.37	31-08-2018	570700	Increase/ Sub-division	11,41,400	4.25
5	DilipBalakrishnan#	2050	4.25	31-08-2018	2050	Increase/ Sub-division	4,100	0.02
6	Rajesh Bhutara^	0	0.00	01-09-2018	Increase	Increase/ ESOP	1,200	0.01

*

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Unsecured Loans (in Rs.)	Deposits (in Rs.)	Total Indebtedness (inRs.)
Indebtedness at the beginning of the financial year			
i) Principal Amount	68,51,354.06	-	68,51,354.06
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	38,061.00	-	38,061.00
Total (i+ii+iii)	**68,89,415.06**	**-**	**68,89,415.06**
Change in Indebtedness during the financial year			
Addition	12,36,225.94	-	12,36,225.94
Reduction	21,21,624.83	-	21,21,624.83
Net Change			
Indebtedness at the end of the financial year			
i) Principal Amount	59,67,790.23	-	59,67,790.23
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	36225.94	-	36225.94
Total (i+ii+iii)	**60,04,016.17**	-	**60,04,016.17**

vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (inRs.)
		Mr. Amit Rathi	
1	Gross salary (in Rs.)		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	91,07,143	91,07,143
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	Others	-	-
5	Others(Provident Fund)	10,92,857	10,92,857
	Total (A)	1,02,00,000	1,02,00,000
	Ceiling as per the Act	6,35,63,199	6,35,63,199

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Mrs.SudhaNavandar	Mr, Mohan Tanksale	Mr, Ramesh Chandak	Mr, KishanGopalSomani	Total Amount (inRs.)
1	Independent Directors(in Rs.)					
	Fee for attending board/ committee meetings	3,25,000	2,25,000	3,00,000	50,000	9,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	3,25,000	2,25,000	3,00,000	50,000	9,00,000
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board/ committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	3,25,000	2,25,000	3,00,000	50,000	9,00,000
	Overall Ceiling as per the Act	As approved by the Board				

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					
		Mr. RakeshRawal - CEO	Mr.DilipBalakrishnan*- Company Secretary	Mr.Hardik Chauhan*- Company Secretary	Mr.Amol Bhabal#- CFO	Mr. Rajesh Bhutra#- CFO	Total (in Rs.)
1	Gross Salary (in Rs.)						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3,17,71,895	48,28,713	5,01,704	11,72,116	39,34,013	4,22,08,441
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	4,44,000	4,44,000
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	1,692	1692
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	as % of profit	-	-	-	-	-	-
	Others	-	-	-	-		-
5	Others 1. Provident Fund 2. Conveyance Reimbursement	 19,83,892 -	 2,47,703 -	 31,628 -	 87,558 -	 2,63,311 15,000	 26,14,092 15,000
	Total	**3,37,55,787**	**50,76,416**	**5,33,332**	**12,59,674**	**46,58,016**	**4,52,83,225**

*Hardik Chauhan (w.e.f 30-11-2018)
*DilipBalakrishnan, Company Secretary (Upto 30-11-2018)
#Rajesh Bhutra, CFO (w.e.f 10-7-2018)
#AmolJayawantBhabal, CFO (Upto 10-07-2018)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details ofPenalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty	*No penalties/punishment/compounding of offences during the year*				
Punishment					
Compounding					

C. OTHER OFFICERS IN DEFAULT
Penalty
Punishment
Compounding

For and behalf of the Board of Directors

Anand Rathi
Chairman
DIN – 00112853

Place: Mumbai
Date: July 06, 2019

Annexure J: Secretarial Audit Report

SECRETARIAL AUDIT REPORT

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

For the Financial Year ended 31st March 2019

To,

The Members,
Anand Rathi Wealth Services 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 Services Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2019, 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 Anand Rathi Wealth Services Limited ("the Company") as given in Annexure-A for the financial year ended 31st March 2019, according to the provisions of:

   (i) The Companies Act, 2013 ('the Act') and the rules made thereunder to the extent applicable;

   (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

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

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

For Dharmesh Bohra & Associates
Company Secretaries

V.K. Gupta
Partner
C.P. No. 10314

Place: Mumbai
Date: 06, July, 2019

Annexure A

List of documents verified

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31st March 2018;
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Debentures Allotment & Redemption Committee, Debenture Committee, Information Technology (IT) Strategy Committee, Asset Liability Management Committee, Stakeholders' Relationship Committee, Investment Committee, Credit Committee and Risk Management Committee held during the said audit period along with Attendance Register;
4. Minutes of General Meetings held during the financial year under report;
5. Statutory Registers viz.
   - Register of Members
   - Register of Directors & Key Managerial Personnel and their Shareholding
   - Register of Contracts with Related Party and Contracts and Bodies etc. in which Directors' are interested
   - Register of loans, guarantees and security and acquisition made by the Company
   - Register of Charges
   - Register of Debenture holders
6. Agenda papers submitted to all the Directors/members for the Board meeting and the Committee Meetings;
7. Declarations/ Disclosures received from the Directors/ Secretary of the Company pursuant to the provisions of 184, 164 of the Companies Act, 2013;
8. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Various Policies made under the Companies Act, 2013

Annexure B

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

- Consumer Protection Act, 1986
- Competition Act, 2002
- Indian Arbitration Act, 1999
- Shops and Establishment Act and Rules
- Companies Act, 2013 and Rules made thereunder
- Negotiable Instruments Act, 1881
- Income Tax Act, 1961
- Service Tax Act, as notified by the Finance Act, 1994 (Applicable till 30th June, 2017)
- Indian Stamp Act and Stamp 1899 and stamp duties prescribed for respective states;
- The Goods and Services Tax Act, 2017 (Applicable w.e.f. 1st July 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

Management discussion and analysis

Global slowdown but no recession

Downturn of global business cycle

In 2018, the global growth has decelerated. During the first-half of 2019, the slowdown has continued in most major economies with the slight exception of Japan. Part of the slowdown is related to the phase of business cycle with the loss of momentum after long period of expansion. For example, the US has recorded positive quarterly growth rates for each of the last 40 quarters – the longest phase of expansion in the history of the country.

End of stimulus measures

Until recently, the US was in the monetary tightening mode– the policy rate was being raised and the balance sheet size of the central bank was being shrunk.The Euro area also stopped liquidity infusion some time back. In addition, in the US, soon after assuming office in 2016, the Trump administration followed an expansionary fiscal measure which by now has played out and the base effect on growth is turning negative. Monetary tightening in the US and the end of stimulus measures in other countries also contributed to the growth slowdown.

Major impact on manufacturing sector

The impact of global slowdown is visible in most segments of the world economy. Yet, manufacturing sector has been most impacted. While the sector is already facing significant pressures across countries, the PMI indicators suggest further pain ahead. Over 70% of global trade relate of manufacturing products. Rising protectionist trends are impacting the sector the most.

Services, labour market holding up

Despite the deterioration of growth performance and outlook, there are areas of strength as well. Unemployment has come down in most parts of the world including the US and Euro area. Services activities also show buoyancy. Despite this, services sector outlook, as captured by the PMI indicators, show signs of slowdown. Moreover, even with strong labour market conditions and traction in retail sales growth in certain countries like China or Japan, consumer sentiments are down in most major countries.

Rising protectionism depressing growth

Recent years have witnessed major increase in protectionist sentiments, especially in the US. The efforts have been to bypass multilateral trade bodies like the World Trade Organisation (WTO) and take unilateral actions so as to extract concessions from trade partners. The process has already stated tit-for-tat tariff and other restrictive measures. The US has imposed either punitive tariffs on many trade partners or abrogated extant trade arrangements which have led to retaliatory actions.

Threat of all-out trade war

The US is fighting "trade wars" with many countries including India. Yet, the US-China trade war is assuming increasing importance. After imposing 10% tariff on nearly half the imports from China, the US has proposed new and more stringent action on the reminder of the imports. No major way out from the current impasse is visible. Rising protectionism and geopolitical uncertainties are playing important roles in slowing down global growth and dampening business, investor and consumer confidence;. An all-out trade war between world's top two economies does not bode well for the future of the world economy.

China a big risk factor

The share of China in the global GDP has jumped from 6% to 16% since 2007. On an average 30-40% of the global growth is being driven by China. Yet, the country has slowed down substantially in the recent past. The country facing various headwinds including sharp deterioration in the health of the financial sector and state owned enterprises, slowdown of the manufacturing sector and exports and uncertainties relating to exchange rate. The US-China trade war and civil unrest at Hong Kong are big risks too. Sharp slowdown in the country remains a major global risk and can plunge the world economy into recession.

Outlook getting gloomy, impacting financial markets

The consensus view suggest considerable slowdown of the global economy in 2019. Most global agencies are revising the growth estimates down. The lead indicators for most countries as also the consumer, investor and business sentiment surveys suggest continued headwinds. In many of the OECD countries the sovereign bond yields have turned negative and yield curves have inverted. These are being interpreted as an impending signs of the global recession. These factors are impacting the financial markets. Risk aversions are leading to corrections in the equity market, safe heaven bond yields are falling and despite benign inflationary situation, gold – generally a hedge against inflation – is going up.

Growth slowdown but recession unlikely

There is little doubt that the global economy is slowing down. Yet, there is scant evidence that we are approaching a recession. In fact, there are several factors – for example, absence of large asset-liability mismatch of corporate or lack of overheating either in product or assets markets – suggest that the global economy is unlikely to enter into a recession in the near future.

Stimulus measures likely

Authorities across the world stand prepared to avert a major growth slowdown. The US has already stopped shrinking Fed balance sheet and effected a 25 bps rate cut. China has reduced reserve requirements for banks. Similarly, countries such as South Korea or South Africa which resisted monetary easing earlier for various reasons have done so in the recent past. Fiscal policies in most countries remain accommodative and have been eased further in the recent past. These measures are likely to boost growth. Much of the slowdown in China are policy induced – e.g. deleveraging of the corporate sector especially state-owned enterprises, withdrawal/reduction of incentive for low-value-added exports, strengthening of environmental protection norms, tightening of lending conditions by banks and clampdown on shadow banking. Selective relaxation of these norms can boost growth.

Limited help from the global economy

While we do not anticipate a global recession and related negative spill over effect on India, we do not expect much positive influence of the current global situation on India either. Protectionist trends are more likely to negatively impact India's exports. Similarly, risk aversion by global investors are likely to negatively impact cross-border capital inflows in the near-term future. That said, the slow global growth scenario is likely to keep crude oil prices soft, which would positively impact India. Similarly, the lack of symbiotic relation between India and China – as is the case for most East Asian economies – suggest that the impact of a Chinese slowdown can be positive for India, at least in the relative sense. In addition, the very low return situation in most OECD countries would eventually lead to "search for yield", which is likely to result in foreign funds moving towards relatively higher yielding Indian assets. On net basis, a slow growing world economy but no recession would be modestly positive for the Indian economy.

Growth bump in India

Growth deceleration

Like most other parts of the world, India too faced significant growth deceleration in the recent past. Deceleration in manufacturing activities and investments coupled with weaknesses in agricultural activities are the major reasons for this. In contrast, private consumption and services sector activities remained buoyant.

Uncertainties depressed sentiments

Global uncertainties, particularly protectionist policies highlighted above played a role in depressing India's growth performance. Perhaps more importantly, disturbances in the NBFC sector and corporate debt market created liquidity shortage and thereby chocked growth. The reversal of the ruling coalition in some of the major state elections in 2018 also created uncertainties about the decisiveness of the verdict in the 2019 general elections. This, in turn impacted investor sentiments.

High interest rate depressed investment, leveraged consumption

Despite substantial softening of inflationary situation and outlook, the RBI effected two rate hikes in 2018. These substantially increased the effective real interest rates and negatively impacted the interest sensitive demand – investment and leveraged consumption. While the RBI has brought down the policy rate by 110 bps in four instalments during 2019, major part of it is yet to get transmitted in terms of lower lending rates. High interest cost has been one of the key reasons for the slowdown of the economy. We feel that once the lower policy rates gets transmitted into lending rates, India's growth rate would record a marked rebound.

Risk aversion continues

Through infusion, the RBI has been able to bring the banking sector liquidity into surplus. Yet, with concerns of default, both banks and debt market investors remain focused on quality borrower. High share of NPA and the lack of growth capital constrained public sector banks to grow lending. These factors have created funding problems, particularly for smaller corporates, MSME and those with lower credit rating. With such risk aversion, liquidity problems have turned into solvency issues for some of the companies/borrowers.

Cyclical versus structural slowdown

Structural fall in investment

Deceleration of growth momentum in India in the recent years is beyond doubt. During Q2FY12-Q4FY19, India's average growth was 7% - a decline of 200 bps from the 9% average growth rate registered during Q3FY04-Q1FY12. The situation has worsened further in the last three quarters with the average falling further to 6.6% in the last three quarters. Given India's prolonged departure from 9% growth rate, it appears that a part of India's longer-term growth slowdown is structural with sharp deceleration of investment being the main cause for this. Average investment growth slumped from 15% during Q3FY04-Q1FY12 to 5% during Q2FY12-Q4FY19. Misallocation of resources in the earlier period lead to both over-capacity and eventual high levels of stalled projects/low yielding assets/NPA. This resulted in inability/unwillingness of banks to lend to corporate/industry and investment growth suffered. Major monetary tightening by the RBI in 2011 and 2012 and the subsequent increase in NPA and credit costs kept the borrowing rates high and rising while return ratios of the companies were falling, this accentuated the deceleration in investment.

Consumption supported growth until recently

Despite investment growth falling from 15% to 5%, deceleration in real growth from 9% to 7% was rather modest. This was on account of robust growth in private consumption which has in fact accelerated after 2014. Income/access improvement-led strong rural demand, aspiration-led boost in consumption (leading to lower savings rate) and improved availability of consumer funding (as banks focused from corporate to personal banking and NBFCs got aggressive) are factors which led to strong consumption growth. Yet, in the recent past, there has been broad-based slowdown in consumption especially leverage consumption as reflected in sharp contraction in consumer durable sales in general and car sales in particular. Moreover, as reflected in air passenger traffic or volume growth of non-discretionary items, it appears that deterioration in private consumption is broad-based and not confined to durables alone.

This brings to the fore the question whether given the continued stress in investment, the slump in consumption growth would keep the real growth depressed for a longer period. Also, contrary to consensus expectation, the government has not provided any major fiscal stimulus. This raises doubts whether India has entered into structural slowdown.

Fiscal prudence remains paramount

While the Union government remains committed to make India a $5 trillion economy in the next few years from the current level of $2.7 trillion, the policy framework is not deviating from the path of fiscal prudence. Contrary to the consensus expectation of an expansionary budget during FY20, the Finance Minister lowered the fiscal deficit target for the year to 3.3% of GDP from 3.4% in the previous year. While this may lead to lower India's near-term growth, it would help improving the international perception including sovereign credit rating of the country and also aid sustainable growth recovery in the medium-term. At the same time the last five years have witnessed major structural reforms which are changing the overall business environment in the country and measures are being taken to create the ground conditions for the next generation of structural reforms which would structurally improve India's growth performance.

Major past reforms, preparation for more action

Five major structural reforms in last five years

The Union government has been pro-active in improving the conditions of doing business in India through reforms of procedural norms governing businesses. The process has led to India achieving record improvement in global ranking in this regard. Simultaneously, the government aims to weed out crony capitalism and rent-seeking behaviour through steps which promote transparency, tax compliance and non-discretionary rules. Five major reforms took place in the last five years – demonetisation, roll out of GST, establishment of RERA, tightening of regulatory/supervisory norms for banks/NBFCs and enactment IBC. These measures are likely to have substantial long-term positive implications for the Indian economy. Yet, by recasting the way businesses have been run in the past, these measures have caused near-term disruptions, which impacted growth. While giving time for the impacts of the past reform measures to settle, government is taking actions to create support for the next wave of reforms.

Agriculture, employment pose challenges

With decades of under-investment in agriculture and policy induced unsustainable cultivation practices, productivity improvement in the sector has been extremely low. Simultaneously, the inability to create non-agricultural jobs at required scale and the mismatches between required and available skill composition of the workforce averted occupational transformation away from agriculture. This immensely increased population pressure on agriculture and led to huge rural-urban income gaps. The bid to address the situation by aggressive increase in MSP was unsustainable as it created strong negative impacts including high inflationary situation.

Dealing with rural distress, high unemployment

The longer term solution to this is to recast the agrarian system to improve productivity, create large number of non-agricultural livelihood opportunities through strong growth in industry and services and alignment of the skill level of the workforce with the emerging needs of the economy. Yet, none of these can be achieved quickly. In the interim, measures are required to create livelihood opportunities and address rural distress through creation of safety nets which provides relief to the weaker sections of the population and those impacted by the transition from the existing business practices to a more transparent, non-discretionary, efficient and ethical business model. Moreover, in a democracy, sustainability of economic reform depends on public support. This, in turn, necessitates steps to ensure that the fruits of high growth reaches all sections of the population and a minimum ease of living is ensured even for the weakest segments of the population.

Creating safety net before the next generation of reforms

The JAM (Jan Dhan, Aadhar and Mobile phone) trinity along with DBT (direct benefit transfer) has structurally transformed the way social welfare is delivered in the country. The process has led to better targeting of welfare schemes to the intended beneficiaries, reduced delays, cut down corruption and leakage of fund and reduced fiscal burden. Utilising the same framework, the government has initiated action to put in place minimum ease of living for all. For example, all farmers have been provided direct income support (PM-KISHAN) and subsidies crop insurance (PM FasalBimaYogana), vulnerable sections of the population have been covered by free medical insurance (PM Jan Arogya Yojana) and cooking gas connection (Ujjwala Yojana). We feel that such safety nets would reduce vulnerabilities of the weaker sections and bid the way towards next generation reforms including those relating to land and labour.

Supportivepolicies

Fiscal prudence to contain cost of fund

Lack of fiscal stimulus to kick start growth acceleration has been a common complaint against the Union government. Yet, the issue is not as straight forward as it is made out to be. Credit rating agencies give high weights on fiscal situation while deciding sovereign rating, especially for emerging market economies. With very few exceptions, sovereign rating of a country acts as the upper limit of credit rating of corporate from that country. It seems that the FY20 Union Budget walked the path of fiscal prudence because a marked deviation could impact the sovereign rating/outlook and thereby increase the cost of external borrowing for the Indian corporate sector. The unwillingness of the government to boost growth through expansionary fiscal policy, therefore, needs to be seem from this perspective as well.

Highly accommodative monetary policy

Compensating for fiscal stimulus, the RBI is following a very accommodative monetary and liquidity policy. While the tightening stance of the RBI in 2018 despite benign inflationary situation seems to have harmed growth, the 110 bps rate cut and liquidity infusion in 2019 is supportive of growth. While the lack of adequate transmission of accommodative policy stance in lending rate is still absent, the SBI has taken a lead in this direction. The process is likely to gather momentum. Recapitalisation of public sector banks is also likely to boost credit growth.

Part of the slowdown policy induced and can be reversed

As highlighted before, major reforms in the last five years aimed at weeding out crony capitalism and rent-seeking behaviour. The transition from business usual to the new paradigm seems to be proving to be more painful than previously anticipated. While providing selective dispensation and forbearance would lengthen the transition period, it can provide some immediate relief as well. Such actions are already visible. For example, RBI has reduced risk weight on personal loans which should aid banks, especially those with low capitalisation, to expand such portfolio. Similarly, RBI's decision to classify on-lending by banks to (relatively healthy) NBFCs as priority sector lending would aid cash starved NBFCs while improving yields for banks. Under nudging from the Supreme Court, the RBI has also revised the framework for resolution of stressed assets whereby default of large loans would not automatically go for insolvency and bankruptcy proceedings if no resolution works out with 180 days of default. Under the current subdued business environment, the case specific approach provides relief to both corporate and banks.

Ongoing consultation with stakeholders

The government is taking a pro-active stance to boost growth. Authorities have met the representatives from the sectors under stress including the automobiles, banks, NBFCs and real estate. Some of the supportive policies have been rolled out (e.g. bank funding of healthy NBFCs). Similarly, the authorities have also met representatives of FPIs who have been impacted by increased taxation rates on super-rich individuals under the FY20 budget. Discussions of the issue and certain other announcements of the FY20 budget are under consideration and positive outcomes are expected in many of these cases.

Signs of green shoots

Downcast sentiments

Both the global and domestic sentiments are down. While globally the fear of a recession is looming, in India the apprehensions are that the current slowdown could be structural rather than cyclical. Deterioration in the current growth situation in India can hardly be questioned. Yet, we feel that there are several positives which are getting missed out in the current sombre sentiment.

Modest recovery in industry

While industrial growth in Jun'19 has been disappointing, industrial growth show modest improvements during Q1FY20 versus H2FY19. Within manufacturing activities, intermediate goods and consumer non-durables are maintaining impressive growth rates. Electricity generation also recorded acceleration in the last six months. While still subdued and below system credit growth, bank lending to industry has accelerated almost continuously since 2018 and this seems to be helping the sector.

Non-discretionary demand remains resilient

While large range of manufacturing activities especially those relating to capital goods and consumer durables show considerable slowdown, non-discretionary consumer demand shows high levels of resilience. While disinflationary tends have slowed down realisation growth, the volume growth remains strong. These are reflected both in real growth of private consumption demand and volume growth for FMCG companies.

Services sector show buoyancy

Despite slowdown elsewhere in the economy, most services activities have maintained buoyancy. In fact, even during Q4FY19, services GDP accelerated. With over 50% of India's GDP coming from services activities, the strength of the sector offers considerable scope for optimism. At the same time, there are concerns that due backward and forward linkages, deceleration in industrial activities would eventually adversely impact the services activities as well. Notwithstanding such possibilities, the same has not played out in the past. Moreover, while realisation of the manufacturing sector is trending downwards, pricing power in major segments of services including healthcare, education and recreation & entertainment remain robust. Strong performance by the services sector substantially limits the downside risk to India's real growth.

Modest turnaround in investment

Investment has been and continues to be the biggest drag on India's growth. Expectation of slow investment recovery also dampens the future growth outlook. Yet, there are several green shoots even in this area. Data released by the RBI show that financially closed corporate investment has bottomed out in 2016 and there has been modest uptake in the last two years. Improvements are particularly visible for manufacturing activities. Monthly data released by the government on investment proposals show major uptake in recent months. Moreover, the ratio of implemented to proposed investments show a major improvement suggesting better fructification of investment projects in the recent past. Equity investment in India through FDI has also registered considerable strength in recent months.

Bright outlook for wealth management industry

Better financial savings, equity investment through SIP

Since 2012, there has been considerable decline in India's gross savings rate. This has been driven mainly by the fall in household savings in physical assets (mainly real estate) which declined sharply from 2012. Until recently, with the deceleration in income growth coupled with strong consumption growth, there has also been considerable decline in financial savings to GDP as well. Yet, in the last year, financial savings behaviour of the households improved substantially with major growth in most forms of financial savings – currency & deposits, insurance and small savings. There has, however, been a dip in net mobilisation by mutual funds in FY19 versus FY18. Yet, the mobilisation by mutual funds in FY19 remained the second best ever recorded. These mobilisations since FY18 are coming predominantly through SIP which provides strong visibility and sustainability of investments in equity-linked assets. Improvements in household financial savings and longer-term commitment for such savings behaviour bode well for the wealth management industry.

Longer-term equity investment culture emerging

Despite improvements in recent years, share of equity assets in the portfolio of Indian investors remains very low as compared to the peers as well as India's own past records. There are indications that the sharp increase in the volume of the equity derivatives (F&O) in the equity market (over 90% of the overall volume) since 2000 has created a perception that equity investment is short-term in nature and such investments are largely speculative and may result in large losses. Yet, with the improvement in financial literacy and investor understanding of equity as the best long-term investment option, the situation is changing fast. Predominance of SIP in household investment in mutual funds also testifies the same.

Differentiated wealth management approach

Unique strategic, consumer focused wealth management

There are six key aspects in the approach of Anand Rathi Wealth Services Limited (ARWSL) that differentiates your company from most other wealth management outfits in the country. These are:

a) **Wealth management is not product selling**. Wealth management means optimisation of risk-return profile of a client's portfolio keeping in view her/his preferences and financial needs and not buying and selling of financial products.

b) **Asset allocation matters the most, market timing or product selection matters little**. Timing the market on consistent basis to buy/sell financial products (such as equity or bond) is not possible. More importantly, numerous studies show that over the longer-term, market timing or choice of particular financial products (e.g. equity scrip of particular companies) play relatively little roles in deciding the overall portfolio return. These studies also show that more than 90% of the long-term portfolio return depends on the strategy of allocation into various asset classes (such as equity, bond, real estate, gold, works of art, etc.)

c) **Wealth management requires a holistic approach**. In order to fulfil the long-term financial goals of a client, wealth management requires a long-term, strategic and holistic analysis of client's overall wealth and income position on the one side and her/his financial needs, aspirations and risk tolerance on the other.

d) **Uncomplicated approach**. There is almost an endless number of financial instruments with different characteristics. But only a few exhibit consistent superior long-term performances in terms of risk and return. A wealth manager needs to focus on those narrow range of products and help clients optimise risk adjusted return by optimally allocating portfolio in those products.

e) **Fearless advisory**. Many a times, clients know what they want from their portfolio but may not know need to do (in terms of what kind of financial product and what level of wealth allocation they should do) to achieve those. Wealth strategists of your company provide fearless advisory to the clients about what they need to do to achieve what they want and gap that client's portfolio has from the recommended ideal allocation.

f) **Knowledge-based standardised processes**. Your company adopts consistent, uniform, process-driven standardised and uncomplicated methods for wealth management. While proportions in terms of specific asset allocation depends on circumstances of a specific client, the process is uniform and based on similar templates across all clients. This requires constant product, process and strategy research and dissemination of the same across all wealth strategists through regular and intense training programmes.

Anand Rathi approach finding traction

Objective-led not product-led approach

The expertise of your company lies in providing uncomplicated and holistic solutions for our clients using highly standardised processes. This approach is finding significant traction with prospective clients. Our wealth management proposition itself is based on an objective-driven approach, and not a product-led approach. We help clients finalise their long-term wealth goals and once the goals are set, we provide strategic investment options by creating a customised financial strategy for the clients. A client's portfolio is constructed by using standardised algorithms in allocating assets and selecting securities which are aligned to each client's liquidity and risk profile. The portfolio is constantly monitored and if required, strategic calls are taken to ensure clients reach their goals. We also have dedicated internal teams that help clients with tax, succession and estate planning advisory.

Major expansion plans

Your company has built and continue to invest in building standardized processes across the business, including in Relationship Manager hiring and training, client pitches and on-boarding, and ongoing management. Encouraged by the growth during previous year, the company is planning to expand its number of Financial Strategists in the team by about 50% in the current year.

Hybrid model for mass affluent segment

The subsidiaries of the companies are focused on building digital solutions in related verticals. Digital wealth management (DWM), a solution built for mass affluent customers, is now being marketed through partners and is finding gradual acceptance. We believe that a hybrid human assisted technology led approach is the key to creating a win-win business in the mass affluent segment. This lowers the marginal cost of customer servicing while keeping a human face accessible to the client.

INDEPENDENT AUDITOR'S REPORT

To the Members of Anand Rathi Wealth Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the standalone financial statements of Anand Rathi Wealth Services Limited (Formerly Known as AR Venture Funds Management Limited) ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss(including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditors' Report Thereon

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

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

Responsibility of Management for Standalone Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 2, a statement on the matters specified in paragraphs3 and 4 of the Order, to the extent applicable.

7. As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 3.

g. In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, we report that the managerial remuneration paid by the Company to its Directors is in accordance with provisions of Section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position - Refer Note 34 of the financial statements.

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts. The Company did not have any other long-term contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place: Mumbai
Date:July 16, 2019

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

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

(i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(vi) Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

Place: Mumbai
Date: July 16, 2019

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

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

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

b) According to the information and explanations given to us and based on the records of the Company examined by us, fixed assets have been physically verified by the management at regular intervals; and no material discrepancies were noticed on such verification;

c) The Company does not own any immovable property. Hence, clause i(c) of Paragraph 3 of the Order does not apply to it.

(ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause 3 (ii) of the Order is not applicable to the Company.

(iii)

a) The Company has granted unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

b) As per the information and explanation given to us, the terms of the said loans are not, prima facie, prejudicial to the interest of the Company.

c) The Schedule of repayment of principal and payment of interest is regular as and when they fall due. There were no overdoes as at the date of Balance sheet.

(iv) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has complied with applicable and relevant provisions of Section 185 and 186 of the Act.

(v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.

(vii) In respect of statutory dues:

a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods & Service tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no undisputed statutory dues payable in respect to above statues, outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.

b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there is no disputed Income tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax as on March 31, 2019which have not been deposited.\

(viii) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions and banks. There are no loans or borrowings from government and the Company has not issued any debentures.

(ix) During the year the company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us, the term loans have been applied by the Company during the year for the purpose for which it was obtained.

(x) During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

(xi) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has complied with the provisions of Section 197 read with schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with the applicable provisions of Section 177 and 188 of the Act for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, clause 3(xiv) of the Order is not applicable.

(xv) According to the records of the Company examined in course of our audit and as per the information and explanations given to us, the Company has not entered in any non-cash transactions with directors or persons connected with them. Hence, provisions of Section 192 are not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

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

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

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

We have audited the internal financial controls over financial reporting of Anand Rathi Wealth Services Limited (formerly known as AR Venture Funds Management Limited) ("the Company") as of March31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting are established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

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

Place: Mumbai
Date: July 16, 2019

ANANDRATHI
Wealth Management. uncomplicated

IND AS STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(Rs in Lakh)

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

As per our attached report of even date.

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

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

For and on Behalf of Board of Directors

Amit Rathi
Managing Director
DIN : 00029791
06 July,2019

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

Hardik Chauhan
Company Secretary
06 July,2019

Rajesh Bhutra
Chief Financial Officer
06 July,2019

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

(Rs in Lakh)

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

As per our attached report of even date.

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

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

For and on Behalf of Board of Directors

Amit Rathi Managing Director DIN : 00029791 06 July,2019	Rakesh Rawal Director & Chief Executive Officer DIN : 02839168 15 July,2019
Hardik Chauhan Company Secretary 06 July,2019	Rajesh Bhutra Chief Financial Officer 06 July,2019

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

(Rs in Lakh)

	PARTICULARS	2018-19	2017-18
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	9,352.40	7,132.04
	Add / (Less) :		
	Depreciation & Amortisation	385.07	351.83
	Interest Income	(474.81)	(277.11)
	Interest Expenses	332.53	872.81
	Gain on Sale of Investments	(246.55)	(33.81)
	Fair Value of Financial Instruments	(106.71)	(2,844.85)
		(110.47)	(1,931.13)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9,241.93	5,200.91
	Adjustment for :		
	Trade Receivables & Other Current / Financial Assets	1,500.25	(2,125.31)
	Other Financial / Current Liabilities	(1,574.78)	8,589.27
		(74.53)	6,463.96
	CASH GENERATED FROM OPERATIONS	9,167.40	11,664.87
	Add / (Less) :		
	Direct Taxes Paid (Net)	(3,483.49)	(2,004.89)
	NET CASH FROM OPERATING ACTIVITIES	5,683.91	9,659.98
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(391.82)	(344.47)
	Sale of Fixed Assets	-	0.14
	Acqusition of Customer relationship	-	(226.88)
	Acqusition of Software	(16.00)	-
	Advance for Property Purchase	(1,890.00)	-
	(Loans Given)/Loans Repayment Received	4,207.44	(2,795.54)
	Interest Received	474.02	276.30
	Security Deposit Given	(177.70)	(129.12)
	Investment in Subsidiaries	(4,204.81)	(927.41)
	Purchase of Other Investment	(158,250.30)	(11,000.00)
	Sale of Other Investment	156,004.94	6,033.81
	Investment in Fixed Deposit	(25.00)	(25.00)
	NET CASH FROM INVESTING ACTIVITIES	(4,269.23)	(9,138.17)
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Loan Taken/(Repayment)	(8.84)	(2,400.71)
	Interest Expenses	(332.53)	(872.81)
	Issue of Shares	1.45	2,559.01
	Change in ESOP Outstanding	1.79	0.25
	NET CASH USED IN FINANCING ACTIVITIES	(338.13)	(714.26)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,076.55	(192.45)
	CASH AND CASH EQUIVALENTS - Opening Balance	34.05	226.50
	CASH AND CASH EQUIVALENTS - Closing Balance	1,110.60	34.05
	Details of Cash and Cash equivalent at the end of the year		
	- Cash in Hand	9.70	12.94
	- Balance in Current Account	1,100.00	21.11
	- Balance in Deposit Account	0.90	-
	Total	1,110.60	34.05

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

As per our attached report of even date.

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

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

For and on Behalf of Board of Directors

Amit Rathi
Managing Director
DIN : 00029791
06 July,2019

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

Hardik Chauhan
Company Secretary
06 July,2019

Rajesh Bhutra
Chief Financial Officer
06 July,2019

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

ANANDRATHI
Wealth Management. uncomplicated

STANDALONE STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

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

B. Other Equity

(Rs in Lakh)

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

As per our attached report of even date.

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

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

For and on Behalf of Board of Directors

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Managing Director
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DIN : 02839168
15 July,2019

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Company Secretary
06 July,2019

Rajesh Bhutra
Chief Financial Officer
06 July,2019

ANAND RATHI WEALTH SERVICES LTD

(Formerly known as A R Venture Fund Management Limited)

CIN : U67120MH1995PLC086696

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

1 CORPORATE INFORMATION

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

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

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

The financial statements were approved for issue by the Board of Directors of the Company at their meeting held on July 6,2019.

(b) Basis of preparation of Financial Statements

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year by the Company.

Fair Value Measurement

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

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

(c) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

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

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

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

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

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

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

(vi) Recognition and measurement of defined benefit obligations

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

(d) Current and Non-Current Classification

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

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

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

Property, Plant and Equipment

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

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

Fixed Assets	Useful Life
Office Equipments	5 years
Computer Equipments	3 years
Motor Car	8 years
Furniture and Fixtures	10 years

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

(iii) Intangible Assets: Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

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

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

(f) Financials Instruments

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

Initial Recognition :

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

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

(i) Classification & Subsequent Measurement of Financial Assets

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

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

Financial assets are classified in the following categories :

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

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

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

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

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

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

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

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

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

(ii) Impairment of financial assets

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

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

(iii) Derecognition of financial assets

A financial asset is derecognised only when :

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

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

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

(iv) Financial Liabilities:

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

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

(v) Derecognition of financial liabilities

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

(vi) Offsetting financial assets and liabilities

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

(g) Derivatives financial instruments

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

(h) Impairment of Assets

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

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

(i) Cash and cash equivalents

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

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

(j) Borrowing Cost and Finance Charges

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

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

(k) Leases

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

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

(l) Employee Benefits

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

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

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

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

(m) Revenue Recognition

Ind AS 115 - Revenue from contracts with customers became effective from the year under report. Accordingly, the Company assesses the nature,timing and extent of revenue based on performance obilgations in its contracts/understanding/trade customs with customers & clients.

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

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

(n) Taxes on Income

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

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

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

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

(o) Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent Liabilities are possible but not probable obligations as on the Balance Sheet date, based on the available evidence. Contingent Liabilities are not recognised in the financial statements.

Contingent Assets are neither recognized nor disclosed.

(p) Earning per share

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

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

(q) Cash Flow Statement

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

(r) Share Based payment Arrangements

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

(s) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(t) Recent Indian Accounting Standards (IND AS)

(i) New standard Ind AS 116: Leases

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

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

(ii) Amendments to other Ind AS's

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

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

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

Amendment to Ind AS 12 – Income taxes

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

Ind AS 23 – Borrowing Costs

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

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

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

3 PROPERTY, PLANT AND EQUIPMENT

(Rs in Lakh)

Description	Leasehold Improvements	Computer equipment	Vehicles	Office equipments	Furniture & Fixtures	Total
Gross Block as at April 1, 2018	-	145.60	151.16	15.98	102.44	415.18
Additions	52.36	122.11	13.27	44.15	159.93	391.82
Disposals	-	-	-	-	-	-
Gross Block as at March 31, 2019	52.36	267.71	164.43	60.13	262.37	807.00
Accumulated depreciation as at April 1, 2018	-	18.61	14.35	0.98	2.82	36.76
Depreciation for the year	1.31	54.37	19.30	6.52	15.20	96.70
Less : Disposals	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2019	1.31	72.98	33.65	7.50	18.02	133.46
Net carrying amount as at March 31, 2019	51.05	194.73	130.78	52.63	244.35	673.54

Description	Leasehold Improvements	Computer equipment	Vehicles	Office equipments	Furniture & Fixtures	Total
Gross Block as at April 1, 2017	-	13.98	54.97	1.98	-	70.93
Additions	-	131.84	96.19	14.00	102.44	344.47
Disposals	-	0.22	-	-	-	0.22
Gross Block as at March 31, 2018	-	145.60	151.16	15.98	102.44	415.18
Accumulated depreciation as at April 1, 2017	-	0.52	0.31	0.04	-	0.87
Depreciation for the year	-	18.17	14.04	0.94	2.82	35.97
Less : Disposals	-	0.08	-	-	-	0.08
Accumulated depreciation as at March 31, 2018	-	18.61	14.35	0.98	2.82	36.76
Net carrying amount as at March 31, 2018	-	126.99	136.81	15.00	99.62	378.42

4 OTHER INTANGIBLE ASSETS

(Rs in Lakh)

Description	Software	Customer Relationship	Total
Gross Block as at April 1, 2018	-	856.31	856.31
Additions	16.00	-	16.00
Disposals	-	-	-
Gross Block as at March 31, 2019	16.00	856.31	872.31
Accumulated amortisation as at April 1, 2018	-	315.86	315.86
Amortisation for the year	2.94	285.43	288.37
Less : Disposals	-	-	-
Accumulated amortisation as at March 31, 2019	2.94	601.29	604.23
Net carrying amount as at March 31, 2019	13.06	255.02	268.08

Description	Software	Customer Relationship	Total
Gross Block as at April 1, 2017	-	629.43	629.43
Additions	-	226.88	226.88
Disposals	-	-	-
Gross Block as at March 31, 2018	-	856.31	856.31
Accumulated amortisation as at April 1, 2017	-	-	-
Amortisation for the year	-	315.86	315.86
Less : Disposals	-	-	-
Accumulated amortisation as at March 31, 2018	-	315.86	315.86
Net carrying amount as at March 31, 2018	-	540.45	540.45

ANAND RATHI WEALTH SERVICES LIMITED
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CIN : U67120MH1995PLC086696

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

5 INVESTMENTS (Rs in Lakh)

(i) Investments - Non current	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	Qty. in Nos.	Qty. in Nos.	Amount	Amount
Un-Quoted - Fully Paid				
Investment in Equity Shares of Subsidiaries at Cost				
AR Wealth Management Private Limited*	4,057,059	2,791,625	5,147.05	942.24
Freedom Wealth Solutions Private Limited**	2,371,625	2,371,625	237.17	237.17
			5,384.22	1,179.41
Aggregate amount of Quoted Investment and market value thereof			-	-
Aggregate amount of Un-quoted Investment			5,384.22	1,179.41
Aggregate amount of impairment in value of investments.			-	-

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

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

(Rs in Lakh)

(ii) Investments - Current	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	Qty. in Nos.	Qty. in Nos.	Amount	Amount
Quoted - Fully Paid up				
Investment in Mutual Fund at Fair Value through Profit and Loss				
HDFC Cash Management Fund*	-	55,640.81	-	2,002.77
Reliance Liquid Fund*	-	47,450.01	-	2,003.46
SBI Premier Liquid Fund*	-	36,893.10	-	1,001.87
LIC Liquid Fund - Regular Plan -Growth	133,776.26	-	4,504.54	-
Reliance Liquid Fund - Growth Plan*	22,070.90	-	1,001.84	-
Aditya Birla Sunlife Liquid Fund - Growth*	669,607.58	-	2,002.16	-
			7,508.54	5,008.10
* The units have been pledged as collateral for margin				
Aggregate amount of Quoted Investment and market value thereof			7,508.54	5,008.10
Aggregate amount of Un-quoted Investment			-	-
Aggregate amount of impairment in value of investments			-	-

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

6 LOANS

(i) Loans - Non current

(Rs in Lakh)

	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(Un Secured, Considered Good)		
Security Deposits	412.95	235.25
	412.95	235.25

(ii) Loans - Current -

	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Intercorporate Deposit To Related Party		
(Secured, Considered Good)		
Anand Rathi Global Finance Ltd	-	1,500.00
(Un Secured, Considered Good)		
A R Wealth Management Private Ltd	456.38	2,101.19
Ffreedom Intermediary Infrastructure Pvt Ltd	202.37	1,284.67
Others	19.67	-
	678.42	4,885.86

7 OTHER FINANCIAL ASSETS -

	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(i) Other Financial Assets - Non current		
Fixed Deposit with Bank	50.00	25.00
(Above is under Lien against Bank Overdraft)		
	50.00	25.00
		-

	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(ii) Other Financial Assets - Current		
Margin on Options	-	1,630.78
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 Debentures	1,020.26	588.54
In Edelweiss Debenture	13.75	-
	1,034.01	2,219.32
Aggregate amount of Un-quoted Securities	1,034.01	588.54

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

8 DEFERRED TAX ASSETS / (LIABILITIES)

(Rs in Lakh)

	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Depreciation	45.77	19.03
Long Term Capital Loss	8.80	8.80
Leave Provision	50.50	39.10
Fair Valuation of Financial Instruments	(31.07)	(828.42)
MAT Credit Entitlements	-	235.59
	74.00	(525.90)

9 OTHER NON CURRENT ASSETS

(Rs in Lakh)

	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Capital Advances	1,890.00	-
Advance Tax including Tax Deducted at Source (Net of Provision for Tax)	911.96	864.42
	2,801.96	864.42

10 TRADE RECEIVABLES

(Rs in Lakh)

	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(Unsecured, Considered good)		
Outstanding for a period exceeding six months from due date	-	-
Others	927.81	1,045.59
	927.81	1,045.59

11 CASH AND CASH EQUIVALENTS

(Rs in Lakh)

	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Balances with Banks		
- in Current Accounts	0.90	21.11
- in Deposit Accounts	1,100.00	-
Cash on Hand	9.70	12.94
	1,110.60	34.05

12 OTHER CURRENT ASSETS

(Rs in Lakh)

	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(Unsecured, Considered good)		
Accrued Interest	1.59	0.81
Staff Advances	152.29	411.48
Prepaid Expenses	68.77	53.83
GST Input Credit	132.47	19.26
Advance to Others	12.69	15.06
Others	-	26.06
	367.81	526.50

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

13 EQUITY SHARE CAPITAL (Rs in Lakh)

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

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

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

The face value of equity shares of the Company has been subdivided from Rs. 10 per equity share to Rs. 5 per equity share vide approval of shareholders in extraordinary general meeting held on 14 August 2018.

(ii) Terms/Rights attached to the Equity Shares
Equity Shares

The Company has only one class of shares referred to as Equity Shares having a face value of Rs 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupee. The dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

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

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

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

	Bonus shares issued by the Company	Issue of shares for consideration other than cash	Shares bought back
March 31, 2018	-	-	-
March 31, 2017	6,230,464	-	-
March 31, 2016	-	-	-
March 31, 2015	-	-	-
March 31, 2014	-	-	-

(v) Share reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer Note No. 30

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

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

(a) Securities Premium

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

(b) Share Option Outstanding Account

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

(c) Retained earnings

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

(d) Other Comprehensive Income (OCI)

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

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15	BORROWINGS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(i)	Borrowings - Non current		
	Secured Loan from Banks	36.84	49.67
	(Secured against hypothecation of vehicles purchased)		
		36.84	49.67
	Terms of repayment - Repayable in 36 to 60 equal monthly instalments, last instalment falling due on March, 02 2020 to March, 03 2023.		
	The rate of interest ranges between 8% to 11% p.a.		
	(The Compamy has not defaulted in repayment of principal & interest during the year)		

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(Rs in Lakh)

15	BORROWINGS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(ii)	Borrowings - Current		
	Current Maturity of Secured Loan from Banks	22.84	18.84
		22.84	18.84

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16	TRADE PAYABLES	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	Total outstanding dues of micro, small and medium enterprises *	-	-
	Total outstanding dues to other than micro, small and medium enterprises	7.50	43.17
		7.50	43.17

* The above disclosure is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the Micro, Small and Medium Enterprise Development Act, 2006

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17	OTHER FINANCIAL LIABILITIES	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	Other Financial Liabilities - Current		
	Employee Benefits Payable	564.32	436.64
	Option Premium	1,190.88	3,743.14
	Provision for Expenses	208.03	128.03
		1,963.23	4,307.81

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18	OTHER CURRENT LIABILITIES	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	Statutory Dues	306.68	502.49
	Book Overdraft	92.49	-
		399.17	502.49

-

19	PROVISIONS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	Employee Benefit Liabilities - Current		
	Gratuity Provision (Refer Note no. 22)	87.32	90.21
	Leave Provision	173.41	134.28
	Incentive Provision	3,125.85	2,290.38
		3,386.58	2,514.87

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

20 REVENUE FROM OPERATION	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Mutual Fund Distribution Income	10,122.50	8,693.62
Income from Distribution & Sale of Financial Product	14,321.39	6,469.44
Gain on Derivative Transaction	2,316.23	5,886.29
	26,760.12	21,049.35

21 OTHER INCOME	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Interest Income	474.81	277.11
Gain on sale of Investment	246.55	33.81
Misc and Other Income	574.89	568.42
	1,296.25	879.34

22 EMPLOYEE BENEFIT EXPENSES	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Salaries, Incentive & Allowances	12,097.76	9,460.39
Contribution to Provident and Other Funds	597.44	486.21
Share based Payments to Employees (Refer Note.30)	2.11	1.74
Staff Welfare Expenses	97.45	41.60
	12,794.76	9,989.94

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

A Defined Benefit Plans

Gratuity:

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

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

Inherent Risk

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

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

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

Reconciliation of present value of the obligation and the fair value of the plan assets:		
Change in present value of obligation:		
Opening Defined Benefit Obligation	325.63	169.05
Current Service Cost	58.22	29.31
Interest Cost	23.81	11.65
Liability Transferred out	-	-
Actuarial (Gain)/loss	32.12	14.39
Benefits Paid	(23.00)	-
Past Service Cost	-	101.23
Closing Defined Benefit Obligation	416.78	325.63
Change in fair value plan assets:		
Opening Fair Value of the plan assets	235.42	217.91
Expected return on plan assets	18.13	15.80
Actual Enterprise's Contribution	90.21	-
Actual Benefits Paid	(23.00)	-
Actuarial Gain/(loss)	8.70	1.72
Closing Fair value of the plan assets	329.46	235.42
Investment details of plan assets		
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Insurer Managed Fund	100%	100%
Others	-	-
Total	100%	100%
Experience Adjustment		
Defined Benefit Obligation	416.78	325.63
Plan Assets	329.46	235.42
(Surplus)/deficit	87.32	90.21
Acturial (Gains)/Losses on Obligations - Due to Experience	32.12	14.39
Acturial Gains/(Losses) on Plan Assets - Due to Experience	8.70	1.72
Weighted average duration of Define benefit obligation	12.61 Yrs	12.43 Yrs
Maturity profile of defined benefit obligation		
Within next 12 months	35.56	32.87
Between 1 and 5 Years	116.97	86.40
Between 5 and 10 Years	110.74	102.30

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

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

There are no amounts included in the fair value of plan assets for:
i) Company's own financial instrument
ii) Property occupied by or other assets used by the Company

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

For valuation as at 31 March, 2019 the estimated term of liabilities is 12.61 years, corresponding to which YTM on government bonds is 7.55%, after rounding to nearest 0.05%.

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

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

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

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

General Description fair value of the plan:
The Company has insurer Managed Fund.

Principal Actuarial Assumptions:	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Discount rate	7.55%	7.70%
Salary Escalation Rate	5.00%	5.00%
Attrition Rate	For Service 4 yrs & below 20% p.a. & service above 4 yrs 2% p.a	For Service 4 yrs & below 20% p.a. & service above 4 yrs 2% p.a
Retirement Age	60 years	60 years

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

Sensitivity Analysis

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

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Particulars	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Defined Benefit Obligation (Base)	416.78	325.63
Discount Rate		
Increase by 50 bps	395.27	309.15
Impact of increase by 50 bps in Percentage	-5.16%	-5.06%
Decrease by 50 bps	440.20	343.56
Impact of decrease by 50 bps in Percentage	5.62%	5.51%
Salary Growth Rate		
Increase by 50 bps	423.90	330.96
Impact of increase by 50 bps in Percentage	1.71%	1.64%
Decrease by 50 bps	408.69	319.33
Impact of decrease by 50 bps in Percentage	-1.94%	-1.93%
Expected contribution for the next financial year	35.56	32.87

Asset Liability Matching Strategy

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

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

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

B Defined Contribution Plans

Amount recognized as an expense under the head "Contribution to Provident and other Funds" in note 22 "Employee Benefit Expenses" of Statement of Profit and Loss towards Company's Contribution to Provident Fund is Rs 511.37 Lakhs
(FY 2017-18 Rs 387.72 Lakhs).

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

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23 FINANCE COSTS	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Interest Paid	332.53	872.81
	332.53	872.81

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

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

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25 INCOME TAX EXPENSE	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Current Tax		
Current tax on profit for the year	3,435.95	1,519.39
Total Current tax expenses	3,435.95	1,519.39
Deferred Tax		
Decrease / (Increase) in deferred tax assets	(38.13)	(27.68)
(Decrease) / Increase in deferred tax liabilities	(797.35)	828.42
MAT credit	235.59	(221.74)
Total deferred tax expenses / benefit	(599.89)	579.00
Total Income Tax Expenses	2,836.06	2,098.39
Effective Tax Rate Reconciliation		
Particulars	March 31, 2019	March 31, 2018
Applicable Tax Rate	29.12	28.84
Profit before tax	9,352.40	7,132.04
Tax Expenses as per above rate	2,723.42	2,056.88
Tax Impact Due to:		
Expenses Disallowed	988.52	111.13
Exempt Income	(31.07)	(820.45)
Deductions u/s 80G	(12.03)	(25.98)
Carry Forward Business Losses / (Utilised)	-	(23.92)
On Account of Previous Year Adjustments	2.70	-
On Account of MAT credit	(235.59)	221.74
Total Current Tax	3,435.95	1,519.39
Incremental Deferred Tax Assets on account of Property, Plant and Equipment and Other Intangible Assets	(26.74)	(16.68)
Deferred Tax creation/utilisation of carry forward losses	-	28.11
Incremental Deferred Tax (Asset) / Liability on account of Financial Assets and Other Items	(808.74)	789.32
MAT credit	235.59	(221.74)
Total Deferred Tax	(599.89)	579.00
Total Tax Expenses Recognised	2,836.06	2,098.39
Effective Tax Rate	30.32	29.42

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

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

26 OPERATING SEGMENTS

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

27 OPERATING LEASE

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

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

(Rs in Lakh)

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

General Description of leasing agreements

Leased Assets - Offices
Future lease rentals are determined on the basis of agreed terms
At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing
Lease agreements are renewable by mutual consent on mutually agreed terms

28 RELATED PARTY DISCLOSURE

(a) List of Related Parties

(i) Subsidiary Companies

AR Wealth Management Private Limited
Freedom Wealth Solutions Private Limited
Ffreedom Intermediary Infrastructure Private Limited
(Subsidiary of AR Wealth Management Private Limited)

(ii) Entity of which the Company is an Associate

Anand Rathi Financial Services Limited

(iii) Key Managerial Persons (KMP) :

Amit Rathi, Managing Director
Rakesh Rawal, Director & CEO
Rajesh Bhutra, CFO (w.e.f 10-7-2018)
Amol Jayawant Bhabal, CFO (Upto 10-07-2018)
Hardik Chauhan (w.e.f 30-11-2018)
Dilip Balakrishnan, Company Secretary (Upto 30-11-2018)

(iv) Other Related Parties :

Anand Rathi Global Finance Limited
Anand Rathi Advisors Limited
Anand Rathi Share and Stock Brokers Limited
Anand Rathi Commodities Limited
Anand Rathi Insurance Brokers Limited
Anand Rathi IT Private Limited (Upto 20-09-2017)
Anand Rathi International Ventures (IFSC) Private Limited
(Subsidiary of Anand Rathi Share and Stock Brokers Limited)
AnandRathi Housing Finance Limited
(Subsidiary of Anand Rathi Global Finance Limited)

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly known as A R Venture Fund Management Limited)

CIN : U67120MH1995PLC086696

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

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

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

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(Rs in Lakh)

	Nature of Transaction/Relationship	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
(xiv)	Rent Received		
	Other Related Parties	0.60	-
(xv)	Commision Received		
	Other Related Parties	1,073.75	-
(xvi)	Referral fees Received		
	Other Related Parties	405.86	-
(xvii)	Remuneration paid to KMP		
	Short Term Employee Benefits	554.81	905.51
	Share Based Payments	0.02	0.02
	Post Employment Benefits *		

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

(Rs in Lakh)

		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(c)	Outstanding Balances		
(i)	Loan		
	Subsidiary	658.75	3,385.86
	Other Related Parties	-	1,500.00
(ii)	Margin Balance		
	Other Related Parties	-	1,630.78

Note 1: Terms of Loan Given to related parties
Loan given to related parties at the interest rate in the range of 10% to 12% and it is receivable on demand.

Note 2: There are no provision for doubtful debts/advances or amount written off or written back of debts due from / due to related parties.

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

(Rs in Lakh)

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

The face value of equity shares of the Company has been subdivided from Rs. 10 per equity share to Rs. 5 per equity share vide approval of shareholders in extraordinary general meeting held on 14 August 2018. The earnings per share for FY 2017-18 has been restated accordingly.

30 SHARE BASED PAYMENTS

Employees Share Option Plans

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

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

The details of options are as under:

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

Fair Value of Options granted

The estimated fair value of each stock option granted is 2.82 as on 1 January, 2017. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer. The model inputs the share price at respective grant dates, exercise price of 10/-, Standard Deviation of 52.44%, life of option being 2.7 years, and a risk-free interest rate of 6.51%.

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

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

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

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

Details of the commitments arising from the Share based payments were as follows: (Rs in Lakh)

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

31 CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

(Rs in Lakh)

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

32 CAPITAL MANAGEMENT

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

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

(Rs In Lakh)

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

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33 BUSINESS COMBINATIONS

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

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

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

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

Name of Company	No. of Shares	% of Shares Acquired
AR Wealth Management Private Limited		
July 13, 2016	2,520,000	60.30%
March 14, 2018	5,574	0.13%
March 16, 2018	170,246	4.07%
March 16, 2018	51,074	1.22%
March 16, 2018	39,157	0.94%
March 22, 2018	5,574	0.13%
May 3, 2018	58,361	1.40%
February 5, 2019	1,194,029	7.07%
March 27, 2019	13,044	0.24%
Freedom Wealth Solutions Private Limited		
Sept 25, 2017	2,371,625	95.01%

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

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

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

37 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 and March 31, 2018 has been made in the financial statements based on information received and available with the Company. Further in view of the Management there is no interest payable in accordance with the provisions of the Act. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
The principal amount remaining unpaid to any supplier at the end of each accounting year;	-	-
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	-	-

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

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.

(Rs in Lakh)

March 31, 2019	Carrying Amount	Fair value: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
(i) Mutual Fund	7,508.55	7,508.55	-	-	7,508.55
	(5,008.10)	(5,008.10)	-	-	(5,008.10)
(ii) Unquoted Debentures	1,034.02	-	1,034.02	-	1,034.02
	(588.54)	-	(588.54)	-	(588.54)
Amortised Cost					
(i) Loans	678.42	-	-	-	-
	(4,885.86)	-	-	-	-
(ii) Security Deposit	412.95	-	-	-	-
	(235.25)	-	-	-	-
(iii) Trade receivables	927.81	-	-	-	-
	(1,045.59)	-	-	-	-
(iv) Cash and cash equivalents	1,110.60	-	-	-	-
	(34.05)	-	-	-	-
(v) Margin on Options	-	-	-	-	-
	(1,630.78)	-	-	-	-
(vi) Other Financial Assets	50.00	-	-	-	-
	(25.00)	-	-	-	-
	11,722.35	7,508.55	1,034.02	-	8,542.57
	(13,453.17)	(5,008.10)	(588.54)	-	(5,596.64)

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(Rs in Lakh)

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

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

Note 2 - Investment in Equity Shares of Subsidiaries of Rs. 5384.22 lakh (Rs. 1179.41) have been measured at cost.

(i) The fair value of the financial assets and liabilities are included at the amount at which the instrument can be exchanged in the current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Financial instruments carried at amortised cost such as cash and margin money deposits, trade and other receivables, trade payables, borrowings and other current financial instruments approximate at their fair values largely due to short term maturities of these instruments.

(iii) The fair value of the quoted instruments are based on market price at the reporting date. In case of unquoted instruments, the valuation is done based on the observable market inputs. The valuation of unquoted index options is done through Black and Scholes model.

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

39 Financial instruments – Risk management

Risk management framework

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

Liquidity risk

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

Exposure to liquidity risk

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

		Contractual cash flows (Rs in Lakh)				
March 31, 2019	Carrying amount	Total	On Demand	Less than 3 months	3-12 months	1-5 years
Borrowings	59.68	59.68	-	5.51	17.33	36.84
Trade Payables	7.50	7.50	-	7.50	-	-
Other Financial Liabilities	1,963.23	1963.23	1,190.88	772.35	-	-

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

Credit risk

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

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

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

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As on reporting date credit risk exposure are as on following: (Rs in Lakh)

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

-

(i) AGE OF RECEIVABLES	As at March 31, 2019	As at March 31, 2018
Within the credit period		
1-30 days Past Dues	924.70	1,043.62
31-60 days Past Dues	1.37	1.97
61-90 days Past Dues	1.73	-
More than 90 days past dues	-	-

-

(ii) MOVEMENT IN THE EXPECTED CREDIT LOSS ALLOWANCE	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	-	-
on trade receivables calculated at lifetime expexted	-	-
Balance at end of the year	-	-

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

Market Risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company don't have any debt obligation of floating interest rate, so no interest rate risk exists.

Equity Price Risk

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

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

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

Currency Risk

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

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

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

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

As per our attached report of even date.

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

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

For and on Behalf of Board of Directors

Amit Rathi
Managing Director
DIN : 00029791
06 July,2019

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

Hardik Chauhan
Company Secretary
06 July,2019

Rajesh Bhutra
Chief Financial Officer
06 July,2019

INDEPENDENT AUDITOR'S REPORT

To the Members of
Anand Rathi Wealth Services Limited

(Formerly Known as AR Venture Funds Management Limited)

Report on the Audit of Consolidated Ind AS Financial Statements

Opinion

1. We have audited the consolidated Ind AS financial statements of Anand Rathi Wealth Services Limited (Formerly known as 'A R venture Funds Management Limited') ('the Holding Company'),its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as 'the consolidated Ind AS financial statements').In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on standalone financial statements, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2019, and its consolidated Profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Information other than the Financial Statements and Auditors' Report thereon

3. The Holding Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, and such other disclosures related Information, excluding the consolidated Ind AS financial statements and auditor's report thereon ('Other Information'). The Other Information is expected to be made available to us after the date of this Auditors' Report. Our opinion on the consolidated Ind AS financial

statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

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

Responsibility of Management for Consolidated Ind AS Financial Statements

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

   The respective Board of Directors of the companies included in the Group are responsible for overseeing the Group's financial reporting process.

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

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

Other Matters

6. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rs.6,880.67 Lakhs as at March 31, 2019, total revenues of Rs. 944.88Lakhs and net cash inflows to Rs. 7.89Lakhs for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of provisions of sub sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of said other auditors.

7. Our opinion on the Consolidated Ind AS 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

8. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate Ind AS financial statement, and the other financial information of the subsidiaries, incorporated in India, as noted in the "Other Matter" paragraph, we report to the extent:

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 Ind AS financial statement.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Accounts) Rules, 2015.

e. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2019, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial control over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure 2

g. In our opinion and according to the information and explanation given to us and based on the reports of the statutory auditors of the subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company and its subsidiaries is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

h. With respect to the other matters to be included in the Auditor' 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 explanation given to us, we report as under:

(i) The Group has disclosed the impact of pending litigations on the financials position in its Consolidated Ind AS financial statements. Refer Note 38 and 39 to the Consolidated Ind AS financial statements.

(ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts. The Group did not have any other long-term contracts for which there were any material foreseeable losses – Refer Note 40and 41 to the Consolidated Ind AS financial statements.

(iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31,2019.

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co – FRN: 105146W)

Chartered Accountants

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

Annexure 1

(Referred to in paragraph 5 titled "Auditor's Responsibilities for the Audit of the Consolidated Ind-AS Financial Statements")

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated Ind AS financial statement 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 Ind AS 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.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entities included in the consolidated Ind AS 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.
- Review of the standalone audit financial statements of the subsidiaries not audited by us and communicating with the respective statutory auditors of such subsidiaries as per the framework of provisions of SA 600, "Using the work of another Auditor"
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Annexure 2

[Referred to in paragraph 8 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

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

In conjunction with our audit of the Consolidated Ind AS financial statements of the Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Anand Rathi Wealth Services Limited (Formerly Known as A R Venture Funds Management Limited)("hereinafter referred to as "the Holding Company") and its subsidiaries which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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 based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the" Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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 system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matter.

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

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

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANANDRATHI
Wealth Management. uncomplicated

IND AS CONSOLIDATED BALANCE SHEET AS AT MARCH 31 2019

(Rs in Lakh)

	PARTICULARS	Notes	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
I	ASSETS			
	Non-Current Assets			
	Property, Plant and Equipment	3	751.99	480.16
	Goodwill		40.57	40.57
	Other Intangible assets	4	785.23	1,334.60
	Intangible assets under development	4	3,166.33	2,346.06
	Financial Assets			
	- Loan	6(i)	416.19	238.33
	- Other Financial assets	7(i)	50.00	25.00
	Deferred Tax Assets (Net)	8	398.06	-
	Other Non Current Assets	9	2,859.70	943.96
			8,468.07	5,408.68
	Current Assets			
	Financial Assets			
	- Investments	5	7,508.54	5,008.10
	- Trade Receivables	10	1,101.35	1,227.45
	- Cash and cash equivalents	11	1,141.23	56.79
	- Bank balances other than above	12	4.09	3.86
	- Loans	6(ii)	20.17	1,500.50
	- Other Financial Assets	7(ii)	1,034.01	2,219.32
	Other Current Assets	13	456.90	636.91
			11,266.29	10,652.93
	TOTAL ASSETS		19,734.36	16,061.61
II	EQUITY AND LIABILITIES			
	Equity			
	Equity Share Capital	14	1,345.43	1,344.30
	Other Equity	15	10,903.43	6,492.31
	Non Controlling Interest	16	1,252.76	(20.20)
			13,501.62	7,816.41
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	- Borrowings	17(i)	36.84	49.67
	Provisions	20(i)	11.95	9.06
	Deferred Tax Liabilities (Net)	8	-	524.77
			48.79	583.50
	Current Liabilities			
	Financial liabilities			
	- Borrowings	17(ii)	22.84	18.84
	- Trade Payables	18		
	Total Outstanding dues of micro enterprises and small enterprises			
	Total Outstanding dues of creditors other than micro enterprises and small enterprises		70.09	64.11
	- Other Financial Liabilities	19	2,022.39	4,361.90
	Other Current Liabilities	21	655.72	665.44
	Provisions	20(ii)	3,411.33	2,535.89
	Current Tax Liabilities (Net)	22	1.58	15.52
			6,183.95	7,661.70
	TOTAL EQUITY AND LIABILITIES		19,734.36	16,061.61
	Notes Forming Part of the Consolidated Financial Statements	1-48		

As per our attached report of even date.

For and on Behalf of Board of Directors

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

Amit Rathi
Managing Director
DIN : 00029791
06 July, 2019

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

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

Hardik Chauhan
Company Secretary
06 July, 2019

Rajesh Bhutra
Chief Financial Officer
06 July, 2019

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANANDRATHI
Wealth Management. uncomplicated

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

(Rs in Lakh)

	PARTICULARS	NOTES	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
I	Revenue From Operation	23	27,658.75	22,103.22
II	Other Income	24	751.58	268.81
	Total Revenue		28,410.33	22,372.03
III	Expenses:			
	Employee Benefits Expenses	25	13,276.73	10,422.91
	Finance Costs	26	334.27	873.18
	Depreciation and Amortisation Expenses	3 & 4	690.75	518.03
	Other Expenses	27	5,683.43	3,827.65
	Total Expenses		19,985.18	15,641.77
IV	Profit/(Loss) Before Tax		8,425.15	6,730.26
V	Tax Expenses:			
	1. Current Tax	28	3,438.89	1,541.38
	2. Deferred Tax		(922.82)	580.65
	Total Tax Expenses		2,516.07	2,122.03
VI	Profit for the Year		5,909.08	4,608.23
VII	Other Comprehensive Income/(Loss)			
	(A) (i) Items that will not be reclassified to profit or loss		(22.30)	(11.22)
	(ii) Less : Income tax relating to items that will not be reclassified to profit or loss		-	-
	(B) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Other comprehensive income/(loss) (Net of tax)		(22.30)	(11.22)
	TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		5,886.78	4,597.01
	Profit for the year attributable to :			
	Owners of the Company		5,987.35	4,625.34
	Non- Controlling Interest		(78.27)	(17.11)
	Other Comprehensive income for the year attributable to :			
	Owners of the Company		(22.58)	(11.20)
	Non- Controlling Interest		0.28	(0.02)
	Total Comprehensive income for the year attributable to :			
	Owners of the Company		5,964.77	4,614.14
	Non- Controlling Interest		(77.99)	(17.13)
VIII	Earning Per Equity Share of Face Value of Rs. 5 each	33		
	Basic		22.26	17.31
	Diluted		21.85	16.97
	Notes Forming Part of the Consolidated Financial Statements	1-48		

As per our attached report of even date.

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

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

For and on Behalf of Board of Directors

Amit Rathi
Managing Director
DIN : 00029791
06 July, 2019

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

Hardik Chauhan
Company Secretary
06 July, 2019

Rajesh Bhutra
Chief Financial Officer
06 July, 2019

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

(Rs in Lakh)

	PARTICULARS	2018-19	2017-18
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT BEFORE TAX	8,425.15	6,730.26
	Adjustment for :		
	Depreciation	690.75	518.03
	Interest Income	(119.35)	(13.03)
	Interest Expenses	334.27	873.18
	Gain on Sale of Investments	(246.55)	(33.81)
	Fair Value of Financial Instruments	(106.71)	(2,844.85)
	(Gain)/Loss on sale of Property, Plant and Equipment	-	(5.01)
		552.41	(1,505.49)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,977.56	5,224.77
	Adjustment for :		
	Decrease/(Increase) in Other Financial Assets	1,222.99	1,507.10
	Decrease/(Increase) in Trade Receivables	126.10	(481.43)
	Decrease/(Increase) in Other Current Assets	180.00	(558.87)
	(Decrease)/Increase in Trade Payables	5.99	(118.59)
	(Decrease)/Increase in Other Financial Liabilities	(2,279.03)	4,002.85
	(Decrease)/Increase in Provisions	878.33	1,756.17
	(Decrease)/Increase Other Current Liabilities	(9.73)	332.22
	(Decrease)/Increase Other Comprehensive Income	(22.58)	(0.73)
		102.07	6,438.72
	CASH GENERATED FROM OPERATIONS	9,079.63	11,663.49
	Add / (Less) :		
	Direct Taxes Paid (Net)	(3,478.57)	(2,243.03)
	NET CASH FROM OPERATING ACTIVITIES	5,601.06	9,420.46
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Sale/(Purchase) of Property, Plant and Equipment	(397.22)	(345.76)
	Dilution of NCI	(204.51)	(690.25)
	Acquisition of Intangible Assets	(16.00)	(891.18)
	Intangible Assets Under Development	(820.27)	(317.81)
	Interest Income	119.35	13.03
	Sale/(Purchase) of Other Investment	(2,245.34)	(4,966.19)
	Advance paid for Purchase of property	(1,890.00)	-
	Security Deposit Given	(177.86)	(129.28)
	(Loans Given)/Loan Repayment Received	1,480.33	(1,500.00)
	Investment in Fixed Deposit	(25.23)	(25.21)
	NET CASH FROM INVESTING ACTIVITIES	(4,176.75)	(8,852.65)
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Long Taken/(Repayment)	(8.84)	(2,462.32)
	Interest Expenses	(334.27)	(873.18)
	Issue of Shares	1.45	2,559.01
	Change in ESOP Outstanding	1.79	0.25
	NET CASH USED IN FINANCING ACTIVITIES	(339.87)	(776.24)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,084.44	(208.43)
	CASH AND CASH EQUIVALENTS - at the beginning of the year	56.79	265.22
	CASH AND CASH EQUIVALENTS - at the end of the year	1,141.23	56.79
	Details of Cash and Cash equivalents at the end of the year		
	- Cash in Hand	15.60	20.51
	- Balance in Current Account	25.63	36.28
	- Balance in Deposit Account	1,100.00	-
	Total	1,141.23	56.79

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

As per our attached report of even date.

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

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

For and on Behalf of Board of Directors

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Managing Director
DIN : 00029791
06 July, 2019

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DIN : 02839168
15 July, 2019

Hardik Chauhan
Company Secretary
06 July, 2019

Rajesh Bhutra
Chief Financial Officer
06 July, 2019

ANANDRATHI
Wealth Management. uncomplicated

IND AS CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

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

B. Other Equity

(Rs in Lakh)

	Reserve and Surplus							
	Securities Premium	Retained Earnings	ESOP 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	Total Other Equity
Balance as at April 1, 2017	-	(6.17)	0.43	2.09	-	(3.65)	38.53	34.88
Profit for the Year	-	4,625.34	-	-	-	4,625.34	(17.11)	4,608.23
Remeasurement of the net defined benefit liability/asset	-	-	-	(11.20)	-	(11.20)	(0.02)	(11.22)
Total	-	4,619.17	0.43	(9.11)	-	4,610.49	21.40	4,631.89
Issue of shares on premium	2,519.71	-		-	-	2,519.71	-	2,519.71
Movement in Non Controlling Interest due to change in Shareholding	-	-		-	(638.15)	(638.15)	(41.60)	(679.75)
Total	**2,519.71**	**4,619.17**	**0.43**	**(9.11)**	**(638.15)**	**6,492.04**	**(20.20)**	**6,471.85**
Addition in Share Options during the year	-	-	1.74	-	-	1.74	-	1.74
Less : Utilisation during the year	-	-	(1.49)	-	-	(1.49)	-	(1.49)
Balance as at March 31, 2018	**2,519.71**	**4,619.17**	**0.68**	**(9.11)**	**(638.15)**	**6,492.30**	**(20.20)**	**6,472.10**
Balance as at April 1, 2018	**2,519.71**	**4,619.17**	**0.68**	**(9.11)**	**(638.15)**	**6,492.30**	**(20.20)**	**6,472.10**
Profit for the Year	-	5,987.35	-	-	-	5,987.35	(78.27)	5,909.08
Remeasurement of the net defined benefit liability/asset	-	-	-	(22.58)	-	(22.58)	0.28	(22.30)
Total	2,519.71	10,606.52	0.68	(31.69)	(638.15)	12,457.07	(98.19)	12,358.88
Issue of shares on premium	0.32	-	-	-	-	0.32	-	0.32
Movement in Non Controlling Interest due to change in Shareholding	-	-	-	-	(1,555.75)	(1,555.75)	1,350.95	(204.80)
Total	**2,520.03**	**10,606.52**	**0.68**	**(31.69)**	**(2,193.90)**	**10,901.64**	**1,252.76**	**12,154.40**
Addition in Share Options during the year	-	-	2.11	-	-	2.11	-	2.11
Less : Utilisation during the year	-	-	(0.32)	-	-	(0.32)	-	(0.32)
Balance as at March 31, 2019	**2,520.03**	**10,606.52**	**2.47**	**(31.69)**	**(2,193.90)**	**10,903.43**	**1,252.76**	**12,156.19**

As per our attached report of even date.

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

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

For and on Behalf of Board of Directors

Amit Rathi
Managing Director
DIN : 00029791
06 July, 2019

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

Hardik Chauhan
Company Secretary
06 July, 2019

Rajesh Bhutra
Chief Financial Officer
06 July, 2019

1 CORPORATE INFORMATION

Anand Rathi Wealth Services Limited (the "Holding Company") (Formerly known as A R Venture Funds Management Limited) having CIN U67120MH1995PLC086696 was incorporated on March 22, 1995. On March 8, 2017, the Company was converted from Private Company to Public Company. Its registered office is at Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon (E), Mumbai - 400 063, Maharashtra.

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".

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

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

The financial statements were approved for issue by the Board of Directors of the Company at their meeting held on July 06,2019.

(b) Basis of preparation of Financial Statements

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year by the Company.

The financial statements are presented in Indian Rupees, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates.

Fair Value Measurement

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

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

(c) Principles of Consolidation

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

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

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

(d) Critical Accounting Judgements and key Sources of Estimation Uncertainity

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

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

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

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

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

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

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

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

(vi) Recognition and measurement of defined benefit obligations

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

(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 & Intangible Assets and Depreciation & Amortisation

Property, Plant and Equipment

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

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

Fixed Assets	Useful Life
Office Equipments	5 years
Computer Equipments	3 years
Vehicles	8 years
Furniture and Fixtures	10 years

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

(iii) Intangible Assets: Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

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

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

Software of one of the subsidiary i.e. Ffreedom Intermediary Infrastructure Private Limited is amortized over a period of 5 Years on the straight-line method.

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

(iv) Intangible Assets under Development : Intangible assets not ready for the intended use as on the date of the Balance Sheet are disclosed under 'Intangible Assets Under Development'.

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

(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 & 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

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 meets 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.

(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 Proft and Loss.

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

(v) Derecognition of financial liabilities

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

(vi) Offsetting financial assets and liabilities

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

(h) Derivatives financial instruments

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

(i) Impairment of Assets

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

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

(j) Cash and cash equivalents

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

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

(k) Borrowing Cost and Finance Charges

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

(l) Leases

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

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

(m) Goodwill

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

(n) Business Combination:

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

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

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

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

(o) Employee Benefits

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

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

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

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

(p) Revenue Recognition

Ind AS 115 - Revenue from contracts with customers became effective from the year under report. Accordingly, the Company assesses the nature,timing and extent of revenue based on performance obilgations in its contracts/understanding/trade customs with customers & clients.

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

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

(q) Taxes on Income

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

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

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

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

(r) Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent Liabilities are possible but not probable obligations as on the Balance Sheet date, based on the available evidence. Contingent Liabilities are not recognised in the financial statements.

Contingent Assets are neither recognized nor disclosed.

(s) Earning per share

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

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

(t) Foreign Currency transactions:

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

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

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

(u) Cash Flow Statement

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

(v) Share Based payment Arrangements

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

(w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(x) Recent Indian Accounting Standards (IND AS)
(i) New standard Ind AS 116: Leases

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

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

(ii) Amendments to other Ind AS's

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

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

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

Amendment to Ind AS 12 – Income taxes

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

Ind AS 23 – Borrowing Costs

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

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

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

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

3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following: (Rs in Lakh)

Description	Leasehold Improvements	Computer equipment	Vehicles	Office equipments	Furniture & Fixtures	Total
Gross Block as at April 1, 2018	-	198.56	151.16	41.22	161.88	552.82
Additions	52.36	126.76	13.27	44.48	160.67	397.54
Less : Disposals	-	0.33	-	-	-	0.33
Gross Block as at March 31, 2019	52.36	324.99	164.43	85.70	322.55	950.03
Accumulated depreciation as at April 1, 2018	-	36.92	14.36	8.73	12.65	72.66
Depreciation for the year	1.31	72.54	19.30	11.34	20.89	125.38
Less : Disposals	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2019	1.31	109.46	33.66	20.07	33.54	198.04
Net carrying amount as at March 31, 2019	51.05	215.53	130.77	65.63	289.01	751.99

Description	Leasehold Improvements	Computer equipment	Vehicles	Office equipments	Furniture & Fixtures	Total
Gross Block as at April 1, 2017	-	50.26	72.16	27.01	56.99	206.42
Additions	-	148.89	96.19	14.21	104.89	364.18
Less : Disposals	-	0.59	17.19	-	-	17.78
Gross Block as at March 31, 2018	-	198.56	151.16	41.22	161.88	552.82
Accumulated depreciation as at April 1, 2017	-	4.83	4.40	2.97	4.35	16.56
Depreciation for the year	-	32.17	14.25	5.76	8.30	60.48
Less : Disposals	-	0.08	4.29	-	-	4.37
Accumulated depreciation as at March 31, 2018	-	36.92	14.36	8.73	12.65	72.66
Net carrying amount as at March 31, 2018	-	161.64	136.80	32.49	149.23	480.16

4 OTHER INTANGIBLE ASSETS (Rs in Lakh)

Description	Software	Trademark	Customer Relationship *	Total
Gross Block as at April 1, 2018	1,020.82	1.92	856.31	1,879.04
Additions	16.00	-	-	16.00
Less : Disposals	-	-	-	-
Gross Block as at March 31, 2019	1,036.82	1.92	856.31	1,895.04
Accumulated amortisation as at April 1, 2018	228.23	0.35	315.86	544.44
Amortisation for the year	279.76	0.18	285.43	565.37
Less : Disposals	-	-	-	-
Accumulated amortisation as at March 31, 2019	507.99	0.53	601.29	1,109.81
Net carrying amount as at March 31, 2019	528.83	1.39	255.02	785.23

Description	Software	Trademark	Customer Relationship *	Total
Gross Block as at April 1, 2017	356.51	1.92	629.43	987.86
Additions	664.31	-	226.88	891.18
Less : Disposals	-	-	-	-
Gross Block as at March 31, 2018	1,020.82	1.92	856.31	1,879.04
Accumulated amortisation as at April 1, 2017	86.72	0.17	-	86.89
Amortisation for the year	141.51	0.18	315.86	457.55
Less : Disposals	-	-	-	-
Accumulated amortisation as at March 31, 2018	228.23	0.35	315.86	544.44
Net carrying amount as at March 31, 2018	792.59	1.57	540.45	1,334.60

INTANGIBLE ASSETS UNDER DEVELOPMENT (Rs in Lakh)

Description	Software Development
Cost as at April 1, 2018	2,346.06
Additions	820.27
Capitalised during the year	-
Cost as at March 31, 2019	3,166.33
Accumulated amortisation as at April 1, 2018	-
Amortisation for the year	-
Less : Disposals	-
Accumulated amortisation as at March 31, 2019	-
Net carrying amount as at March 31, 2019	3,166.33

Description	Software Development
Cost as at April 1, 2017	2,028.25
Additions	1,232.86
Capitalised during the year	915.05
Cost as at March 31, 2018	2,346.06
Accumulated amortisation as at April 1, 2017	-
Amortisation for the year	-
Less : Disposals	-
Accumulated amortisation as at March 31, 2018	-
Net carrying amount as at March 31, 2018	2,346.06

5 INVESTMENTS

(Rs in Lakh)

Investments - Current	AS AT MARCH 31, 2019 Qty. in Nos.	AS AT MARCH 31, 2018 Qty. in Nos.	AS AT MARCH 31, 2019 Amount	AS AT MARCH 31, 2018 Amount
Quoted - Fully Paid up				
Investment in Mutual Fund at Fair Value through Profit and Loss				
HDFC Cash Management Fund*	-	55,640.81	-	2,002.77
Reliance Liquid Fund*	-	47,450.01	-	2,003.46
SBI Premier Liquid Fund*	-	36,893.10	-	1,001.87
LIC Liquid Fund - Regular Plan -Growth	133,776.26	-	4,504.54	-
Reliance Liquid Fund - Growth Plan*	22,070.90	-	1,001.84	-
Aditya Birla Sunlife Liquid Fund - Growth*	669,607.58	-	2,002.16	-
			7,508.54	5,008.10
* The units have been pledged as collateral for margin				
Aggregate amount of Quoted Investment and market value thereof			7,508.54	5,008.10

6 LOANS

(Rs in Lakh)

(i) Loans - Non current	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(Un Secured, Considered Good)		
Security Deposits	416.19	238.33
	416.19	238.33

(Rs in Lakh)

(ii) Loans - Current	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(Un Secured, Considered Good)		
Security Deposit -Telemarketing Primary Rate Interface Line	0.50	0.50
(Un Secured, Considered Good)		
Others	19.67	-
Intercorporate Deposit To Related Party		
(Secured, Considered Good)		
Anand Rathi Global Finance Ltd	-	1,500.00
	20.17	1,500.50

7 OTHER FINANCIAL ASSETS

(Rs in Lakh)

(i) Other Financial Assets - Non current	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Fixed Deposit with Bank	50.00	25.00
(Above is under Lien against Bank Overdraft)		
	50.00	25.00

(Rs in Lakh)

(ii) Other Financial Assets - Current	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Margin on Options	-	1,630.78
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 Debenture	1,020.26	588.54
In Edelweiss Debenture	13.75	-
	1,034.01	2,219.32
Aggregate amount of Un-quoted Investment	1,034.01	588.54

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

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

(Rs in Lakh)

8	DEFERRED TAX ASSETS / (LIABILITIES)	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	Depreciation	45.36	6.78
	Long Term Capital Loss	8.80	8.80
	Business Loss	321.55	9.95
	Leave Provision	50.50	39.10
	Gratuity Provision	1.23	2.30
	Fair Valuation of Financial Instruments	(31.07)	(828.42)
	MAT credit entitlements	1.69	236.72
		398.06	(524.77)

(Rs in Lakh)

9	OTHER NON CURRENT ASSETS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	Capital Advances	1,890.00	-
	Advance Tax including Tax Deducted at Source (Net of Provision for Tax)	969.70	943.96
		2,859.70	943.96

(Rs in Lakh)

10	TRADE RECEIVABLES	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	(Unsecured, Considered good)		
	Trade Receivables	1,101.35	1,227.45
		1,101.35	1,227.45

(Rs in Lakh)

11	CASH AND CASH EQUIVALENTS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	Balances with Banks		
	- in Current Accounts	25.63	36.28
	- in Deposit Accounts	1,100.00	-
	Cash on Hand	15.60	20.51
		1,141.23	56.79

(Rs in Lakh)

12	BANK BALANCES OTHER THAN AS PER NOTE 11	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	In Deposit Accounts with Original Maturity of more than 3 Months & less than 12 months	4.09	3.86
		4.09	3.86

(Rs in Lakh)

13	OTHER CURRENT ASSETS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	(Unsecured, Considered good)		
	Accrued Interest	1.59	0.81
	Staff Advances	153.58	412.12
	Advances to Vendors	0.13	-
	Prepaid Expenses	78.01	62.41
	GST Input Credit	178.10	70.85
	Advance to Others	45.49	64.66
	Others	-	26.06
		456.90	636.91

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

(Rs in Lakh)

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

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

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

The face value of equity shares of the Company has been subdivided from Rs. 10 per equity share to Rs. 5 per equity share vide approval of shareholders in extraordinary general meeting held on 14 August 2018.

(ii) Terms/Rights attached to the Equity Shares

Equity Shares

The Company has only one class of shares referred to as Equity Shares having a face value of Rs 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

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

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

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

	Bonus shares issued by the Company	Issue of shares for consideration other than cash	Shares bought back
March 31, 2018	-	-	-
March 31, 2017	6,230,464	-	-
March 31, 2016	-	-	-
March 31, 2015	-	-	-
March 31, 2014	-	-	-

(v) Share reserved for issue under options

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

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

(Rs in Lakh)

15	OTHER EQUITY	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(a)	Securities Premium		
	Opening balance	2,519.71	-
	Less: Utilised for Bonus Issue	-	-
	Add: Addition During the Year	0.32	2,519.71
	Balance as at the year end	2,520.03	2,519.71
(b)	Share Options Outstanding Account		
	Opening Balance	0.68	0.43
	Add : Addition during the year	2.11	1.74
	Less : Transferred to Securities Premium	(0.32)	(1.49)
	Balance as at the year end	2.47	0.68
(c)	Retained Earnings		
	Opening Balance	4,619.17	(6.17)
	Add: Profit During the Year	5,987.35	4,625.34
	Balance as at the year end	10,606.52	4,619.17
(d)	Other Comprehensive Income		
	Opening Balance	(9.11)	2.09
	Remeasurement of defined employee benefit plan	(22.58)	(11.20)
	Balance as at year end	(31.69)	(9.11)
(e)	Movement in Non Controlling Interest due to change in Shareholding		
	Opening balance	(638.15)	-
	Add: Changes during the year	(1,555.75)	(638.15)
	Balance as at the year end	(2,193.90)	(638.15)
	TOTAL OTHER EQUITY	10,903.43	6,492.31

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

(Rs in Lakh)

16	Non Controlling Interest	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
	Opening Balance	(20.20)	38.53
	Add: At the time of acquisition		
	Add: Share in Profit for the year	(78.27)	(17.11)
	Add: Share in Other Comprehensive Income	0.28	(0.02)
	Add: Change in Non Controlling Interest	1,350.95	(41.60)
		1,252.76	(20.20)

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

(Rs in Lakh)

		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
17	BORROWINGS		
(i)	Borrowings - Non current		
	Secured Loan from Banks	36.84	49.67
	(Secured against hypothecation of vehicle purchased)		
		36.84	49.67

Terms of repayment - Repayable in 36 to 60 equal monthly instalments, last instalment falling due on March, 02 2020 to March, 03 2023.
The rate of interest ranges between 8% to 11% p.a.
(The Compamy has not defaulted in repayment of principal & interest during the year)

(Rs in Lakh)

		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(ii)	Borrowings - Current		
	Current Maturity of Secured Loan from Banks	22.84	18.84
		22.84	18.84

(Rs in Lakh)

		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
18	TRADE PAYABLES		
	Total outstanding dues of micro, small and medium enterprises*	-	-
	Total outstanding dues to other than micro, small and medium enterprises	70.09	64.11
		70.09	64.11

* The above disclosure is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the Micro, Small and Medium Enterprise Development Act, 2006

(Rs in Lakh)

		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
19	OTHER FINANCIAL LIABILITIES		
	Other Financial Liabilities - Current		
	Option Premium	1,190.88	3,743.14
	Employee Benefit Payable	623.52	490.72
	Provision for Expenses	207.99	128.04
		2,022.39	4,361.90

(Rs in Lakh)

		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
20	PROVISIONS		
(i)	Provisions - Non Current		
	Employee Benefit Liabilities		
	Gratuity Provision	11.95	9.06
		11.95	9.06

(Rs in Lakh)

		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(ii)	Provisions - Current		
	Employee Benefit Liabilities		
	Gratuity Provision	98.49	98.40
	Leave Provision	186.99	147.11
	Incentive Provision	3,125.85	2,290.38
		3,411.33	2,535.89

(Rs in Lakh)

		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
21	OTHER CURRENT LIABILITIES		
	Statutory Dues	345.95	536.30
	Book Overdraft	92.49	-
	Advance from Customer	217.28	129.14
		655.72	665.44

(Rs in Lakh)

		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
22	CURRENT TAX LIABILITIES		
	Provision For Tax (Net of Advance tax including tax deducted at source)	1.58	15.52
		1.58	15.52

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

(Rs in Lakh)

23	REVENUE FROM OPERATION	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
	Mutual Fund Distribution Income	10,400.03	8,890.53
	Advisory Fees	257.25	416.26
	Income from Distribution & Sale of Financial Product	14,325.92	6,469.44
	Gain on Derivative Transaction	2,316.23	5,886.29
	IT Enabled Services	359.32	171.75
	Business support - fees	-	268.95
		27,658.75	22,103.22

(Rs in Lakh)

24	OTHER INCOME	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
	Interest Income	119.35	13.03
	Gain on sale of Investment	246.55	33.81
	Gain on Sale of Fixed Assets	-	5.01
	Misc and Other Income	385.68	216.96
		751.58	268.81

(Rs in Lakh)

25	EMPLOYEE BENEFITS EXPENSES	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
	Salaries, Incentive & Allowances	12,536.08	9,868.26
	Contribution to Provident and Other Funds	631.42	492.10
	Share based Payments to Employees(Refer Note.34)	2.11	1.74
	Staff Welfare Expenses	107.12	60.81
		13,276.73	10,422.91

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

A Defined Benefit Plans

Gratuity:

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

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.

(Rs in Lakh)

Particulars	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Amounts recognized in the Balance Sheet in respect of gratuity (funded by the company):		
Present value of the funded defined benefit obligation at the end of the period	439.90	342.88
Fair value of plan assets	329.46	231.99
Net Liability/(Asset)	110.44	110.89
Amounts recognized in Salary, Wages and Employee Benefits in the Profit and Loss Account in respect of gratuity (funded by the company):		
Current Service cost	63.91	32.45
Interest on Defined Benefit Obligations	25.11	12.52
Expected return on plan assets	(18.13)	(15.80)
Past Service Cost – Vested Benefit recognised during the period	-	103.74
Net Gratuity Cost	70.89	132.91
Amount recognized in Other Comprehensive Income (OCI)		
Amount recognized in OCI in beginning of the period	13.14	(3.08)
Remeasurement due to:	-	
Effect of Change in financial assumptions	7.07	(16.60)
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	23.93	29.53
Actuarial (Gains)/Losses	31.00	12.93
Return on plan assets (excluding interest)	8.70	1.72
Total remeasurements recognized in OCI	22.30	11.21
Amount recognized in OCI, End of Period	35.44	8.13
Actual Return on Plan Assets :		
Expected Return on Plan Assets	18.13	15.80
Actuarial gain/(loss) on Plan Assets	8.70	(1.29)
Actual Return on Plan Assets	26.83	14.51

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

Reconciliation of present value of the obligation and the fair value of the plan assets:		
Change in present value of obligation:		
Opening Defined Benefit Obligation	342.88	184.36
Current Service Cost	63.91	32.45
Interest Cost	25.11	12.52
Liability Transferred out	-	-
Actuarial (Gain)/loss	31.00	12.93
Benefits Paid / Reversals	(23.00)	(3.12)
Acquisition/Business Combination/Divestiture	-	-
Past Service Cost	-	103.74
Closing Defined Benefit Obligation	439.90	342.88
Change in fair value plan assets:		
Opening Fair Value of the plan assets	235.42	217.91
Expected return on plan assets	18.13	15.80
Actuarial (Gain)/loss	8.70	(1.72)
Contributions by the Employer	90.21	-
Benefits Paid	(23.00)	-
Closing Fair value of the plan assets	329.46	231.99
Investment details of plan assets		
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Insurer Managed Fund	100%	100%
Others	-	-
Total	100%	100%
Experience Adjustment		
Defined Benefit Obligation	439.90	342.88
Plan Assets	329.46	231.99
(Surplus)/deficit	110.44	110.89
Actuarial (Gains)/Losses on Obligations - Due to Experience	31.00	12.93
Actuarial (Gains)/Losses on Plan Assets - Due to Experience	8.70	(1.72)

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

There are no amounts included in the fair value of plan assets for:
i) Company's own financial instrument
ii) Property occupied by or other assets used by the company

Discount Rate:

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

For valuation as at 31 March,2019 the estimated term of liabilities of the Group is 12.57 to 12.67 years corresponding to which YTM on government bonds is 7.55%, after rounding to nearest 0.05%.

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

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

Withdrawal Rate:

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

Mortality Rate

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

General Description fair value of the plan:
The holding company has Insurer Managed Fund.

Principal Actuarial Assumptions:	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Discount rate	7.55%	7.70%
Salary Escalation Rate	5.00%	5.00%
Attrition Rate	For Service 4 yrs & below 20% p.a. & service above 4 yrs 2% p.a	For Service 4 yrs & below 20% p.a. & service above 4 yrs 2% p.a
Retirement Age	60 years	60 years

Sensitivity Analysis

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

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

(Rs in Lakh)

Particulars	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Defined Benefit Obligation (Base)	439.90	342.89
Discount Rate		
Increase by 50 bps	417.02	325.36
Impact of increase by 50 bps in Percentage	-5.20%	-5.11%
Decrease by 50 bps	464.84	361.96
Impact of decrease by 50 bps in Percentage	5.67%	5.56%
Salary Growth Rate		
Increase by 50 bps	447.90	348.84
Impact of increase by 50 bps in Percentage	1.82%	1.74%
Decrease by 50 bps	430.97	335.95
Impact of decrease by 50 bps in Percentage	-2.03%	-2.02%
Expected contribution of holding company for the next financial year	35.56	32.87
Weighted Average duration of Holding Company	12.61	12.43
Maturity profile of defined benefit obligation		
Within next 12 months	36.32	33.44
Between 1 and 5 Years	120.55	89.18
Between 5 and 10 Years	119.86	107.12

Asset Liability Matching Strategy

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

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

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

B Defined Contribution Plans

Amount recognized as an expense under the head Contribution to Provident and other Funds in note 25 Employee Benefit Expenses of Statement of Profit and Loss towards Group's Contribution to Provident Fund is Rs 532.61 Lakhs (FY 2017-18 Rs 403.12 Lakhs).

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

(Rs in Lakh)

26	FINANCE COSTS	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
	Interest Paid	334.27	873.18
		334.27	873.18

(Rs in Lakh)

27	OTHER EXPENSES	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
	Business Support Charges	758.53	830.09
	Manpower Outsource Expenses	317.63	254.69
	Legal & Professional Charges	444.91	85.32
	Director Sitting Fees	9.00	0.20
	Electricity Expenses	66.08	46.06
	Communication Expenses	93.74	82.14
	Printing and Stationery	125.54	60.84
	Postage and Telegram	29.09	14.34
	Rent, Rates and Taxes	1,174.38	460.65
	Repairs and Maintenance	131.43	52.66
	Recruitment & Training	26.41	26.31
	Business Promotion and Marketing Expenses	1,361.85	754.37
	Computer & Software Main. Charges	46.57	57.52
	Client Claim	69.89	67.42
	Travelling & Conveyance Expenses	593.01	417.92
	Auditors Remuneration		
	Audit Fees	9.75	10.60
	Others	2.22	2.50
	Donation	82.65	180.17
	CSR Expenses	30.00	
	Transaction Charges	68.63	188.56
	Miscellaneous & General Expenses	242.12	235.29
		5,683.43	3,827.65

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

(Rs in Lakhs)

28 INCOME TAX EXPENSE	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
Current Tax		
Current tax on profit for the year	3,438.89	1,541.38
Total Current tax expenses	3,438.89	1,541.38
Deferred Tax		
Decrease / (Increase) in deferred tax assets	(360.51)	(27.68)
(Decrease) / Increase in deferred tax liabilities	(797.34)	829.26
MAT credit	235.03	(220.93)
Total deferred tax expenses / benefit	(922.82)	580.65
Total Income Tax Expenses charged to Profit & Loss Account	2,516.07	2,122.03
Effective Tax Rate Reconciliation		
Particulars	March 31, 2019	March 31, 2018
Applicable Tax Rate	29.12	28.84
Profit before tax	8,425.15	6,730.26
Tax Expenses as per above rate	2,453.41	1,941.01
Expenses Disallowed	988.53	110.72
Exempt Income	(31.21)	(824.07)
Deductions u/s 80G & 35AC	(12.03)	(25.98)
Carry Forward Business Losses / (Utilised)	-	2.56
Income for which tax charged at Different rate	-	-
Non-Taxable Subsidiaries and effect of Differential Tax Rate under various jurisdiction	272.01	116.22
On Account of Previous Year Adjustments	4.05	-
On Account of MAT credit	(235.87)	220.93
	3,438.89	1,541.38
Incremental Deferred Tax Assets on account of Property, Plant and Equipment and Other Intangible Assets	(38.58)	(15.84)
Deferred Tax (creation)/utilisation of carry forward losses	(311.60)	28.11
Incremental Deferred Tax Liability created/(reversed) on account of Financial Assets and Other Items	(807.67)	789.31
MAT	235.03	(220.93)
Total Deferred Tax	(922.82)	580.65
Total Tax Expenses Recognised	2,516.07	2,122.03
Effective Tax Rate	29.86	31.53

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

29 Basis of Consolidation

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

Name of the Subsidiary Companies	Principal place of Business	Effective Percentage Shareholding	
		As at 31.03.2019	As at 31.03.2018
i) AR Wealth Management Private Limited (ARWMPL)	India	75.51%	66.80%
ii) Freedom Wealth Solutions Private Limited (FWSPL)	India	95.00%	95.00%
iii) Ffreedom Intermediary Infrastructure Private Limited (FIINFRA)	India	75.51%	66.80%

30 OPERATING SEGMENTS

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

31 OPERATING LEASE

The operating leases for premises are executed for a period ranging from 33 months to 60 months with a renewal clause. The lease rental charged during the year is Rs 1115.90 lakhs (P.Y. Rs 444.80 lakhs)

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

(Rs in Lakhs)

Due	As at 31.03.2019	As at 31.03.2018
Not later than 1 year	795.43	462.32
Later than 1 year and not later than 5 years	1,663.03	808.38
Later than 5 years	-	-
Total	2,458.46	1,270.70

General Description of leasing agreements
Leased Assets - Offices
Future lease rentals are determined on the basis of agreed terms
At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing
Lease agreements are renewable by mutual consent on mutually agreed terms

32 RELATED PARTY DISCLOSURE

(a) List of Related Parties
(i) Entity of which the Company is an Associate

Anand Rathi Financial Services Limited

(ii) Key Managerial Persons

Amit Rathi, Managing Director
Rakesh Rawal, Director & CEO
Rajesh Bhutra, CFO (w.e.f 10-7-2018)
Amol Jayawant Bhabal, CFO (Upto 10-07-2018)
Hardik Chauhan, Company Secretary (w.e.f 30-11-2018)
Dilip Balakrishnan, Company Secretary (Upto 30-11-2018)

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

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

(iii) Other Related Parties :

Anand Rathi Global Finance Limited
Anand Rathi Advisors Limited
Anand Rathi Share and Stock Brokers Limited
Anand Rathi Commodities Limited
Anand Rathi Insurance Brokers Limited
Anand Rathi IT Private Limited (Upto 20-09-2017)
Anand Rathi International Ventures (IFSC) Private Limited (Subsidiary of Anand Rathi Share and Stock Brokers Limited)
AnandRathi Housing Finance Limited (Subsidiary of Anand Rathi Global Finance Limited)

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

	Nature of Transaction/Relationship	FOR THE YEAR ENDED MARCH 31,2019	FOR THE YEAR ENDED MARCH 31,2018
(i)	Loan Given		
	Entity of which the Company is an Associate	380.00	
	Other Related Parties	30,841.62	3,692.13
(ii)	Loan Repayment Received		
	Entity of which the Company is an Associate	380.00	-
	Other Related Parties	32,341.62	-
(iii)	Loan Taken		
	Entity of which the Company is an Associate	13,520.00	158,022.12
	Other Related Parties	232,027.16	54,433.64
(iv)	Loan Repaid		
	Entity of which the Company is an Associate	13,520.00	160,450.56
	Other Related Parties	232,027.16	54,433.64
(v)	Security Deposit Given		
	Other Related Parties	-	35.00
(vi)	Security Deposit Repayment Received		
	Other Related Parties	-	35.00
(vii)	Purchase of Debentures		
	Other Related Parties	173,267.31	87,499.43
(viii)	Support Service Given		
	Other Related Parties	362.97	237.44
	Entity of which the Company is an Associate	-	-
(ix)	Support Service Taken		
	Entity of which the Company is an Associate	598.80	458.91
	Other Related Parties	580.37	886.65
(x)	Brokerage Paid		
	Other Related Parties	7.72	19.20
(xi)	Interest Received		
	Entity of which the Company is an Associate	-	-
	Other Related Parties	83.95	-

(xii)	Interest Paid		
	Entity of which the Company is an Associate	4.59	746.79
	Other Related Parties	319.46	112.80
(xiii)	Rent Paid		
	Entity of which the Company is an Associate	14.40	-
	Other Related Parties	0.40	-
(xiv)	Brand Charges		
	Entity of which the Company is an Associate	35.59	
(xv)	Rent Received		
	Other Related Parties	0.60	
(xvi)	Commision Received		
	Other Related Parties	1,073.75	
(xvii)	Referral fees Received		
	Other Related Parties	405.86	
(xviii)	Remuneration paid to KMP		
	Short Term Employee Benefits	554.81	905.51
	Share Based Payments	0.02	0.02
	Post Employment Benefits *		

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

(Rs in Lakhs)

		AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
(c)	Outstanding Balances		
(i)	Loan		
	Other Related Parties	-	1,500.00
(ii)	Margin Balance		
	Other Related Parties	-	1,630.78

Note 1: Terms of Loan Given to related parties
Loan given to related parties at the interest rate in the range of 10% to 12% and it is receivable on demand.

Note 2: There are no provision for doubtful debts/advances or amount written off or written back for debts due from / due to related parties.

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

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(Rs in Lakhs)

33 EARNINGS PER SHARE	2018-19	2017-18
Net Profit after tax	5,987.35	4,625.34
Number of equity shares	26,908,600	26,886,080
Face Value Per Share (in Rs)	5	5
Weighted Average number of equity shares	26,900,517	26,725,844
Diluted Weighted Average number of equity shares	27,406,228	27,253,237
Earnings Per Share (in Rs)		
– Basic	22.26	17.31
– Diluted	21.85	16.97

The face value of equity shares of the Company has been sub divided from Rs. 10 per equity share to Rs. 5 per equity share vide the approval of shareholders in extraordinary general meeting held on 14 August 2018.

34 SHARE BASED PAYMENTS

Employees Share Option Plans

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

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

The details of options are as under:

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

Fair Value of Options granted

The estimated fair value of each stock option granted is 2.82 as on 1 January, 2017. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer. The model inputs the share price at respective grant dates, exercise price of 10/-, Standard Deviation of 52.44%, life of option being 2.7 years, and a risk-free interest rate of 6.51%.

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

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

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

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

Details of the commitments arising from the Share based payments were as follows: (Rs in Lakhs)

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

35 CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

(Rs in Lakhs)

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

36 CAPITAL MANAGEMENT

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

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

(Rs In Lakhs)

	March 31, 2019	March 31, 2018
Equity	1,345.43	1,344.30
Other Equity	10,903.43	6,492.31
Non Controlling Interest	1,252.76	(20.20)
Total Equity (A)	13,501.62	7,816.41
Borrowings	59.68	68.51
Total Debt (B)	59.68	68.51
Total Debt and Equity (C=A+B)	13,561.30	7,884.92
Capital Gearing Ratio (B/C)	0.004	0.01

37 Business Combinations

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

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

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

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

Name of Company	No. of Shares	% of Shares Acquired
AR Wealth Management Private Limited		
July 13, 2016	2,520,000	60.30%
March 14, 2018	5,574	0.13%
March 16, 2018	170,246	4.07%
March 16, 2018	51,074	1.22%
March 16, 2018	39,157	0.94%
March 22, 2018	5,574	0.13%
May 3, 2018	58,361	1.40%
February 5, 2019	1,194,029	7.07%
March 27, 2019	13,044	0.24%

Freedom Wealth Solutions Private Limited *		
Sept 25, 2017	2,371,625	95.01%

* The shares of FWSPL prior to this acquisition by holding company were acquired by ARWMPL during period Dec 2016 to Feb 2017 for Rs. 80.75 lakh. This acquisition was made by swapping the shares of ARWMPL.

At the time of acquistion of business investment made in equity shares of acquiree over and above net assets of acquiree company is treated as Goodwill. Details of Amount paid towards Goodwill at the time of Acquisition of Shares is as below :

(Rs In Lakhs)

	ARWMPL	FWSPL	FIINFRA	Total
Considertaion Paid	252.00	80.75	25.00	357.75
Less: Net Assets Acquired	(249.51)	(330.29)	262.62	(317.18)
Goodwill	2.49	(249.54)	287.62	40.57

Total Profit in Consolidated financial statement is Rs. 5909.08 lakhs (P.Y. Rs 4608.23 lakhs) which includes profit of subsidiaries also, i.e. Rs. (106.33) lakhs (P.Y. Rs. 27.73 lakhs) of AR Wealth Management Private Limited, Rs. 5.82 lakhs (P.Y. 48.59 lakhs) of Freedom Welath Solutions Private Limited and Rs. (209.67) lakhs (P.Y. Rs. (91.81) lakhs) of Ffreedom Intermediary Infrastructure Private Limited of FY 2018-19.

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

(Rs in Lakhs)

Particulars	March 31, 2019	March 31, 2018
For AY 2013-14	41.66	41.66
For AY 2015-16	114.36	114.36
Total	156.02	156.02

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

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

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

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

43 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 and March 31, 2018 has been made in the financial statements based on information received and available with the Group. Further in view of the Management there is no interest payable in accordance with the provisions of the Act. The Group has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	FOR THE YEAR ENDED MARCH 31, 2019	FOR THE YEAR ENDED MARCH 31, 2018
The principal amount remaining unpaid to any supplier at the end of each accounting year;	-	-
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	-	-

44 FINANCIAL INSTRUMENT - FAIR VALUES

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(Rs in Lakhs)

March 31, 2019	Note No.	Carrying Amount	Fair value Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets						
FVTPL						
(i) Investments in Mutual Fund		7,508.54	7,508.54	-	-	7,508.54
		(5,008.10)	(5,008.10)	-	-	(5,008.10)
(ii) Unquoted Debentures		1,034.01	-	1,034.01	-	1,034.01
		(588.54)	-	(588.54)	-	(588.54)
Amortised Cost						
(i) Loans		20.17	-	-	-	-
		(1,500.50)	-	-	-	-
(ii) Security Deposit		416.19	-	-	-	-
		(238.33)	-	-	-	-
(iii) Trade receivables		1,101.35	-	-	-	-
		(1,227.45)	-	-	-	-
(iv) Cash and cash equivalents		1,141.23	-	-	-	-
		(56.79)	-	-	-	-
(v) Bank Balances other than above		4.09	-	-	-	-
		(3.86)	-	-	-	-
(vi) Margin on Options & Option Premium		-	-	-	-	-
		(1,630.78)	-	-	-	-
(vii) Other Financial Assets		50.00	-	-	-	-
		(25.00)	-	-	-	-
		11,275.58	7,508.54	1,034.01	-	8,542.55
		(10,279.35)	(5,008.10)	(588.54)	-	(5,596.64)

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(Rs in Lakhs)

Financial liabilities					
FVTPL					
(i) Option Premium	1,190.88	1,084.48	106.40	-	1,190.89
	(3,743.14)	-	(3,743.14)	-	(3,743.14)
Amortised Cost					
(i) Borrowings	59.68	-	-	-	-
	(68.51)	-	-	-	-
(ii) Trade payables	70.09	-	-	-	-
	(64.11)	-	-	-	-
(iii) Other Financial Liabilities	831.51	-	-	-	-
	(618.76)	-	-	-	-
	2,152.16	1,084.48	106.40	-	1,190.89
	(4,494.52)	-	(3,743.14)	-	(3,743.14)

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

(i) The fair value of the financial assets and liabilities are included at the amount at which the instrument can be exchanged in the current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Financial instruments carried at amortised cost such as cash and margin money deposits, trade and other receivables, trade payables, borrowings and other current financial instruments approximate their fair values largely due to short term maturities of these instruments.

(iii) The fair value of the quoted instruments are based on market price at the reporting date. In case of unquoted instruments, the valuation is done based on the observable market inputs. The valuation of unquoted index options is done through Black and Scholes model.

45 FINANCIAL INSTRUMENT – RISK MANAGEMENT

Risk management framework

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects on revenue. The Group's risk management assessment and policies and processes are established to identify and analyze 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 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 cash flows, funding requirements and liquidity of Group is regularly monitored by the Management of the Group. The objective is to optimize the efficiency and effectiveness of the 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

			Contractual cash flows (Rs in Lakhs)			
March 31, 2019	Carrying amount	Total	On Demand	Less than 3 months	3-12 months	1-5 years
Borrowings	59.68	59.68	-	5.51	17.33	36.84
Trade Payables	70.09	70.09	-	70.09	-	-
Other Financial Liabilities	2,022.39	2,022.39	1,190.88	831.51	-	-

			Contractual cash flows (Rs in Lakhs)			
March 31, 2018	Carrying amount	Total	On Demand	Less than 3 months	3-12 months	1-5 years
Borrowings	68.51	68.51	-	4.55	14.29	49.67
Trade Payables	64.11	64.11	-	64.11	-	-
Other Financial Liabilities	4,361.90	4,361.90	3,743.14	618.76	-	-

Credit risk

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.

As on reporting date credit risk exposure are as on following: (Rs in Lakhs)

	March 31, 2019	March 31, 2018
Loans	20.17	1,500.50
Security Deposit	416.19	238.83
Trade Receivables	1,101.35	1,227.45
Purchase of Debentures	1,034.01	588.54
Investment in Mutual Funds	7,508.54	5,008.10
Margin Balance with Broker	-	1,630.78
Fixed Deposits with Banks	1,150.00	25.00
Bank Balances in Current Account	25.63	36.28
Bank Balances other than above	4.09	3.86

(Rs in Lakh)

(i) AGE OF RECEIVABLES	As at March 31, 2019	As at March 31, 2018
Within the credit period		
1-30 days Past Dues	959.20	1,141.58
31-60 days Past Dues	11.03	3.28
61-90 days Past Dues	35.72	44.76
91-180 days Past Dues	13.89	22.64
More than 180 days past dues	81.51	15.18

(Rs in Lakh)

	As at March 31, 2019	As at March 31, 2018
(ii) MOVEMENT IN THE EXPECTED CREDIT LOSS ALLOWANCE	-	-
Balance at beginning of the year	-	-
on trade receivables calculated at lifetime expexted	-	-
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 Group doesn't have any debt obligation of floating interest rate, so no interest rate risk exists.

Equity 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:

	March 31, 2019	March 31, 2018
Investment in Equity of Entities	-	-

Currency Risk

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

46 The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.
Pending decision on the subject review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

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

48 Additional Notes for Consolidated Financial Statement

Sr. No.	Name of the entity in the group	2018-19							
		Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of consolidated net assets	Amount (Rs in Lakh)	As % of consolidated profit/loss	Amount (Rs in Lakh)	As % of consolidated OCI	Amount (Rs in Lakh)	As % of consolidated TCI	Amount (Rs in Lakh)
(i)	Parent								
	Anand Rathi Wealth Services Limited	58.94%	7,958.08	105.25%	6,219.26	105.07%	(23.43)	105.25%	6,195.83
(ii)	Subsidiaries								
(a)	AR Wealth Management Private Limited	24.24%	3,272.13	-1.34%	(79.12)	-5.18%	1.16	-1.32%	(77.97)
(b)	Freedom Wealth Solutions Private Limited	3.26%	439.94	0.09%	5.53	0.00%	-	0.09%	5.53
(c)	Ffreedom Intermediary Infrastructure Private Limited	4.29%	578.72	-2.68%	(158.32)	1.35%	(0.30)	-2.69%	(158.62)
(iii)	Non Controlling Interest in Subsidiaries								
(a)	AR Wealth Management Private Limited	7.86%	1,061.33	-0.46%	(27.21)	-1.68%	0.37	-0.46%	(26.83)
(b)	Freedom Wealth Solutions Private Limited	0.17%	23.14	0.00%	0.29	0.00%	-	0.00%	0.29
(c)	Ffreedom Intermediary Infrastructure Private Limited	1.25%	168.28	-0.87%	(51.35)	0.44%	(0.10)	-0.87%	(51.45)
	Total	100.00%	13,501.62	100.00%	5,909.08	100.00%	(22.30)	100.00%	5,886.78

Sr. No.	Name of the entity in the group	2017-18							
		Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of consolidated net assets	Amount (Rs in Lakh)	As % of consolidated profit/loss	Amount (Rs in Lakh)	As % of consolidated OCI	Amount (Rs in Lakh)	As % of consolidated TCI	Amount (Rs in Lakh)
(i)	Parent								
	Anand Rathi Wealth Services Limited	95.49%	7,463.80	100.34%	4,623.71	112.96%	(12.67)	100.31%	4,611.04
(ii)	Subsidiaries								
(a)	AR Wealth Management Private Limited	3.75%	292.77	0.36%	16.79	43.43%	(4.87)	0.26%	11.92
(b)	Freedom Wealth Solutions Private Limited	5.56%	434.41	1.00%	46.16	0.00%	-	1.00%	46.16
(c)	Ffreedom Intermediary Infrastructure Private Limited	-4.53%	(354.37)	-1.33%	(61.33)	-56.57%	6.35	-1.20%	(54.98)
(iii)	Non Controlling Interest in Subsidiaries								
(a)	AR Wealth Management Private Limited	1.86%	145.50	0.24%	10.94	28.30%	(3.18)	0.17%	7.77
(b)	Freedom Wealth Solutions Private Limited	0.29%	22.85	0.05%	2.43	0.00%	-	0.05%	2.43
(c)	Ffreedom Intermediary Infrastructure Private Limited	-2.41%	(188.55)	-0.66%	(30.48)	-28.12%	3.15	-0.59%	(27.33)
	Total	100.00%	7,816.41	100.00%	4,608.23	100.00%	(11.22)	100.00%	4,597.01

As per our attached report of even date.

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

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

For and on Behalf of Board of Directors

Amit Rathi
Managing Director
DIN : 00029791
06 July, 2019

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

Hardik Chauhan
Company Secretary
06 July, 2019

Rajesh Bhutra
Chief Financial Officer
06 July, 2019

ANAND RATHI WEALTH SERVICES LIMITED
Regd. Office:
Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon East, Mumbai – 4000063
CIN No.U67120MH1995PLC086696
Tel.No: 022-4001 3700 |Fax No: 022-4001 3770 | URL: www.rathi.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 24TH ANNUAL GENERAL MEETING OF THE MEMBERS OF ANAND RATHI WEALTH SERVICES LIMITED WILLBE HELD ON THURSDAY, 12th SEPTEMBER, 2019 AT 2.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT EXPRESS ZONE, A WING, 10TH FLOOR, WESTERN EXPRESS HIGHWAY, GOREGAON EAST, MUMBAI – 400 063

TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended 31 March, 2019 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in the place of Mr. Anand Rathi (DIN-00112853), who retires by rotation, and being eligible, offers for re-appointment.

3. To take note of the Appointment of the Auditors of the Company.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, appointment of M/s Khimji Kunverji & Co., Chartered Accountants having their office at Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai -400013 having Firm Registration No.105146W, as the Statutory Auditor of the Company for a period of 5 years effective 1st April 2016 be and is hereby noted, whose remuneration will be fixed by the Board of Directors from time to time in addition to the applicable taxes and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company to be reimbursed for the financial year ending 31 March,2020.**"**

SPECIAL BUSINESS

4. Re-appointment of Mr. Amit Rathi (DIN-00029791) as a Managing Director of the Company for the Further Periods of 3 Years.

   To consider and, if thought fit, to pass the following resolution, as a Special Resolution:

   "**RESOLVED THAT** Subject to the approval of the members at the ensuing Annual General Meeting and pursuant to the provisions of Section 196,197 and 198 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members be and is hereby accorded for re-appointment of Mr. Amit Rathi as the Managing Director of the Company for a further period of three years w.e.f. 1st April, 2020 at a remuneration of Rs. 2,00,00,000 per annum (exclusive of perquisites and Employee Provident Fund (EPF) Contribution of the employer) and that the Board of Directors is authorized to alter and vary the terms and conditions of appointment including remuneration payable to the Managing Director within the overall limits specified in schedule V to the said Act.

RESOLVED FURTHER THAT if during the currency of his tenure as Managing Director, the Company has no profits or its profits are inadequate in any financial year from the period of three years from 1st April, 2020, the Managing Director shall be entitled to aforesaid remuneration as minimum remuneration subject to the limits specified in Part II of the said Schedule V of the Companies Act, 2013 after obtaining necessary approval, if any and as may be required.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution and to file the necessary e-forms with Register of Companies, Mumbai."

5. To approve the authority of Board of Directors for making donation to charitable and other fund.

"**RESOLVED THAT**, pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules, circulars, notifications, if any, made thereunder (including 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 the Board of Directors of the Company (or Committee thereof) to contribute, donate, subscribe or otherwise provide 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 in any financial year of upto a total amount of Rs. 5 Crores (Rupees Five Crores only).

RESOLVED FURTHER THAT, the Board, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

BY ORDER OF THE BOARD OF DIRECTORS
FOR ANAND RATHI WEALTH SERVICES LIMITED

Sd/-
HARDIK CHAUHAN
COMPANY SECRETARY

Date: 6th July, 2019
Place: Mumbai

Notes:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the special business in the Notice is annexed hereto and forms part of this Notice.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

3. A person can act as a proxy for only 50 (fifty) members and hold in the aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other member.

4. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.

5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. Members/proxies/Authorised Representatives should bring the enclosed attendance slip, duly filled in, for attending the Meeting.

7. Members who hold share(s) in electronic mode may please write their DP ID and Client ID number and those who hold share(s) in physical form are requested to write their folio numbers in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.

8. Members are requested to send all communication relating to shares, change of address, etc, to The Company Secretary at the registered office of the Company or by email to: *csarwsl@rathi.com* , *hardikchauhan*@rathi.com

9. 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 and Explanatory Statements 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.

10. 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.

EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

Item no. 4

Mr. Amit Rathi was appointed by the Shareholders in the General Meeting held on 28th March, 2017 as Managing Director of the Company for a period of three years i.e. from 1st April, 2017 to 31st March, 2020. His term as Managing Director of the Company will expire on 31st March, 2020.

Keeping in view that Mr. Amit Rathi has rich and varied experience in the Industry and has been involved in the operations of the Company over a period of time, it is proposed to re-appoint him for further period of three years from 1st April, 2020 to 31st March, 2023. The re-appointment of Mr. Amit Rathi (DIN: 00029791) as the Managing Director of the Company shall require the approval of the shareholders by way of passing of Special Resolution pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the approvals of the Central Government and other authorities, if so required. The proposed re-appointment of and payment of remuneration to Mr. Amit Rathi (DIN: 00029791) as the Managing Director has been considered and recommended by the Nomination and Remuneration Committee at its meetings held on 6th July, 2019.

Details of remuneration:- Rs. 2,00,00,000 per annum (exclusive of perquisites and Employee Provident Fund (EPF) Contribution of the employer).

General Conditions:

1. The Managing Director will perform his Duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects.

2. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.

3. The Managing Director shall adhere to the Company’s code of conduct.

Mr. Amit Rathi satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under subsection (3) of Section 196 of the Companies Act, 2013, for his re-appointment. He is not disqualified for being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

Except Mr. Amit Rathi (the appointee), Mr. Anand Rathi (being relatives of the appointee), none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the Resolutions.

Item no. 5

Your Company would like to contribute, donate, subscribe or otherwise provide 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. In terms of the provisions of Section 181 of the Companies Act, 2013, any amount contributed to any charitable and other funds in excess of 5% of the Company's average net profits during the three immediately preceding financial years need prior approval of the Members of the Company. It is therefore necessary to obtain the approval of the Members of the Company for the contributions to be made by the Company in excess of the limits prescribed under the said section. Approval of the Members is now being sought pursuant to Section 181 of the Companies Act, 2013, authorising the Board of Directors of the Company to make contributions in any financial year for a total amount of upto Rs. 5 Crores.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the Resolutions..

Annexure A

Details of Director seeking re-appointment Disclosure required under Secretarial Standard - 2 in respect of Directors seeking reappointment:

Name of Director	Anand Rathi	Amit Rathi
DIN	00112853	00029791
Date of Birth	25th June, 1946	7th October, 1974
Age	73	44
Qualifications	B.Com and CA	CA and MBA
Date of first appointment on the Board	18th March, 2005	18th March, 2005
A Brief Resume of the Director & Nature of his Expertise in Specific Functional Areas;	He 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 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 regular speaker on variousplatforms of the ICAI and was a central council member of ICAI. He is associated with philanthropic organisations including those involved in education and animal protection.	He is a Managing Director of our Company. He has been associated with our Company since March 18, 2005. He is a qualified Chartered Accountant from ICAI and has a Masters' 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. He is also a director on the board of our corporate Promoter, ARFSL (formerly known as Anand Rathi Securities Private Limited).
Disclosure of Relationships Between Directors Inter-Se;	Anand Rathi is the father of Amit Rathi.	
Directorship held in other companies(excluding foreign companies and Section 8 companies	**Private companies:** ✓ Anand Rathi IT Private Limited; ✓ AR Trustee Company Private Limited; ✓ Ffreedom Intermediary Infrastructure Private Limited; ✓ Maa Gou Products Private Limited; and ✓ Sapphire Human Solutions Private Limited. **Public companies:** ✓ Anand Rathi Financial Services Limited; ✓ Anand Rathi Global Finance Limited; ✓ AnandRathi Housing Finance Limited; ✓ Emami Cement Limited.	**Private companies:** ✓ AR Trustee Company Private Limited; ✓ Amit Rathi Wealth Management Private Limited; and ✓ AR Wealth Management Private Limited. **Public companies:** ✓ Anand Rathi Wealth Advisors Limited ✓ Anand Rathi Financial Services Limited; ✓ Anand Rathi Global Finance Limited.
Membership/Chairmanships of Committees of other public companies(Audit Committee and Stakeholders' Relationship Committee considered)	**Chairman** 1. Nil **Member – Audit Committee** 1. Anand Rathi Financial Services Limited; 2. Anand Rathi Global Finance Limited; 3. Anandrathi Housing Finance Limited	**Chairman** 1. Nil **Member– Audit Committee** 1. Anand Rathi Global Finance Limited.
No. of Shares held in the Company as on 31st March, 2019	36,58,260	12,00,000
No. of Board meetings attended during last Financial Year	4	4
Terms and conditions of appointment	Liable to retire by rotation	For a period of three years with effect from April 1, 2017

ATTENDANCE SLIP

(Please fill the attendance slip and hand it over at the entrance)

Regd. Folio No: .______. No. of shares held: _________

***Demat A/c No.______________ DP ID. No. ___________________**

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of ANAND RATHI WEALTH SERVICES LIMITED.

I hereby record my presence at the Annual General Meeting of the Company held on Thursday, 12th September, 2019 at 02:00 p.m.at Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon East, Mumbai – 400 063.

Member's/Proxy's/Representative's Name:

Signature:

*Applicable if shares are held in electronic form.

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copy of Notice to the meeting.

Proxy form

[*Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (*Management and Administration*) Rules, 2014]*

CIN:

U67120MH1995PLC086696

Name of the Company:

ANAND RATHI WEALTH SERVICES LIMITED

Registered office:

Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon East,
Mumbai – 400 063.

Name of the Member(s):   Registered address:

I/ We being the member of **ANAND RATHI WEALTH SERVICES LIMITED**, holding________ shares, hereby appoint

1. Name:

   Address:

   E-mail Id:

   Signature:

2. Name:

   Address:

   E-mail Id:

   Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Annual General Meeting** of members of the Company, to be held on Thursday, 12th September, 2019 at 02:00 p.m. at Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon East, Mumbai – 400 063 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no. 1____

Resolution no. 2____

Resolution no. 3____

Resolution no. 4____

Resolution no. 5____

Affix Revenue Stamp

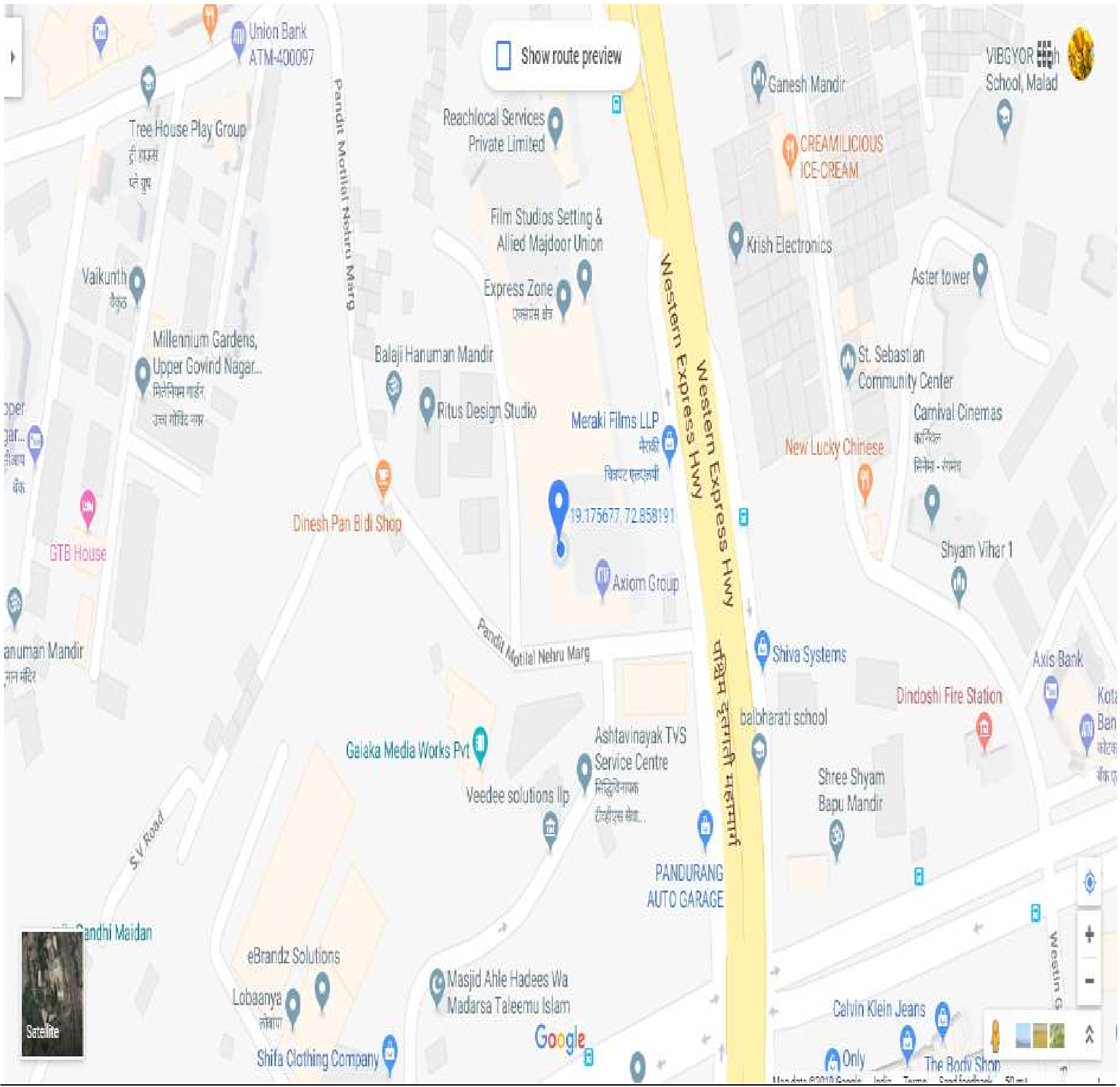
Signed this ..... day of 2019

Signature of Shareholder ....

Signature of Proxy holder(s) ....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

ROUTE MAP


Show route preview
Union Bank ATM-400097
Tree House Play Group
Pandit Motilal Nehru Marg
Reachlocal Services Private Limited
Ganesh Mandir
VIBGYOR High School, Malad
CREAMILICIOUS ICE-CREAM
Film Studios Setting & Allied Majdoor Union
Krish Electronics
Vaikunth
Express Zone
Aster tower
Western Express Hwy
Millennium Gardens, Upper Govind Nagar...
Balaji Hanuman Mandir
St. Sebastian Community Center
Ritus Design Studio
Carnival Cinemas
Meraki Films LLP
New Lucky Chinese
GTB House
Dinesh Pan Bidi Shop
19.175677, 72.858191
Shyam Vihar 1
Axiom Group
Shiva Systems
Axis Bank
Dindoshi Fire Station
balbharati school
Galaka Media Works Pvt
Ashtavinayak TVS Service Centre
Veedee solutions llp
Shree Shyam Bapu Mandir
S V Road
PANDURANG AUTO GARAGE
Gandhi Maidan
eBrandz Solutions
Lobaanya
Masjid Ahle Hadees Wa Madarsa Taleemu Islam
Calvin Klein Jeans
Shifa Clothing Company
Google
Only
The Body Shop
Satellite

Notes